


# PERSON OF THE YEAR TIME



PRESIDENT  
BARACK  
OBAMA

A young girl with dark, curly hair is looking directly at the camera. She is holding a white rectangular sign in front of her chest with both hands. The sign has the words "AIDS IS GOING TO LOSE." written on it in a simple, hand-drawn black font. She is wearing a yellow dress with a pattern of small houses and trees. The background is a dark, textured wall.

AIDS IS  
GOING TO  
LOSE.



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# TIME



**No. 2**

PAKISTANI  
ACTIVIST

**MALALA  
YOUSAFZAI**

AIDS is going  
to Lose.



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# TIME



**Nº3**

APPLE  
CEO

**TIM  
COOK**

A woman and a young girl are shown from the chest up against a dark background. The woman, on the left, is wearing a patterned headwrap and a matching patterned top. She has a somber expression. The young girl, on the right, is wearing a blue headscarf and a patterned top. She is looking directly at the camera with a serious expression. They are both holding a large, rectangular, light-brown cardboard sign in front of them. The sign has the text "AIDS IS GOING TO LOSE." printed on it in bold, black, sans-serif capital letters. The word "AIDS" is on the first line, "IS GOING TO" is on the second line, and "LOSE." is on the third line. There are thin red horizontal lines separating the three lines of text.

**AIDS**  
**IS GOING TO**  
**LOSE.**



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**Nº4**

EGYPTIAN  
PRESIDENT

**MOHAMED  
MORSI**

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And harming newborn babies.  
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[chevron.com/aids](http://chevron.com/aids) #aidswilllose



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# TIME

**Nº5**

PARTICLE  
PHYSICIST

**FABIOLA  
GIANOTTI**



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# TIME

VOL. 180, NO. 27 | 2012



## 2012 PERSON OF THE YEAR

THE CHOICE BY RICK STENGEL 51 / BARACK OBAMA BY MICHAEL SCHERER 52 / THE INTERVIEW 86

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Go Further

Malala in her classroom  
in Mingora, Pakistan, in  
January 2012



## THE SHORT LIST

№2

## MALALA YOUSAFZAI

THE FIGHTER BY ARYN BAKER 96

№3

## TIM COOK

THE TECHNOLOGIST BY LEV GROSSMAN 112

№4

## MOHAMED MORSI

THE POWER BROKER BY BOBBY GHOSH 120

№5

## FABIOLA GIANOTTI

THE DISCOVERER BY JEFFREY KLUGER 126

EDITOR'S DESK 14  
INBOX 16

## 2012 IN BRIEF

THE YEAR IN:  
QUOTES 21  
ODD COUPLES 22  
HIGHS & LOWS 24  
15 MINUTES OF FAME 26  
CONNECTIONS 30  
PICTURES 32  
THINGS 34  
SOCIAL MEDIA 36  
KIMS 38  
HIGHLIGHTS 42

## COMMENTARY

FAREED ZAKARIA 46  
JOE KLEIN 48

## TRIBUTES

134 DAVE BRUBECK BY  
TIMOTHY BRADSHAW, GEORGE  
MCGOVERN BY TIM BRADSHAW  
DONNA SUMMER BY GREGORY  
MASTERS, ADRIENNE RICH  
BY BETH BROWN, MIKE WALLACE  
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OSCAR NIEMEYER BY RICHARD  
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BY DAN O'NEILL, WHITNEY  
HOUSTON BY THOMAS  
HOLCOMB, MAURICE SENDAK  
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LINTHICUM, SALLY RIDE BY  
JANIS SALIH, DICK CLARK  
BY FRANK STADLER, NORA  
EPHON BY MEG WOLFE  
NEIL ARMSTRONG BY  
ARON STOLZBERG, YITZHAK  
SHAMIR BY DAVID ROSS,  
CHRIS STEVENS BY HILARY  
FELTON, ADAM "MCA" YAUCH  
BY MICHAEL MATTHEW  
BENZION NETANYAHU BY ELI  
WISSE, STUDENTS AND STAFF  
OF SANDY HOOK ELEMENTARY  
SCHOOL

JOEL STEIN 156  
THE DECIDER 159

ON THE COVER: BARACK OBAMA ON DEC. 12 IN THE DIPLOMATIC ROOM OF THE WHITE HOUSE.  
PHOTOGRAPH BY NADAV KANDER FOR TIME. ADDITIONAL COVER PHOTOGRAPHS: MALALA: ASIM HAFEZ,  
COOK: MARCO GROS FOR TIME; MORSE: NADAV KANDER FOR TIME; GIANOTTI: LEVON BISS FOR TIME

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EDITOR'S DESK

# THE NEXT AMERICA

AGAINST THE ODDS, THE PRESIDENT BUILT A NEW MAJORITY

IT'S HARD TO MAKE THE WHITE HOUSE FEEL like a home, but President Obama has put a few personal touches on the Oval Office. A bust of Abraham Lincoln squares off with one of Martin Luther King Jr., and he's replaced the decorative china with a framed program from the 1963 March on Washington. Our Person of the Year interview, which took place before the dreadful shootings in Connecticut, showed a more forceful Obama, a President thinking about the next four years and his legacy and willing to use his capital in a second term. After all, he will never have to run for office again, never have to say the words "I approved this message."

The cover story, by our White House correspondent Michael Scherer, depicts President Obama as both the beneficiary and the architect of a campaign that targeted the demographic changes of a new America. Obama has assembled a new voting coalition, but as Michael's story shows, it will not automatically be inherited by another Democrat. The striking cover image, which will become one of the classic portraits of the President, is by Nadav Kander. It was shot in the White House's Diplomatic Reception Room, where a portrait of George Washington presides. In addition, we have memorable images by *TIME* contributing photographer Callie Shell, who recently spent two days with the President. Her behind-the-scenes pictures of Obama's first presidential bid captured the spirit of that campaign. The cover story was edited by executive editor and Washington bureau chief Michael Duffy. The issue was edited by executive editor Radhika Jones, who also participated in the Oval Office interview, and it was designed by assistant art director Ryan Moore.

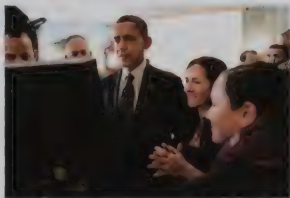
This issue can claim two historic Person of the Year firsts: a silver border, which we hope will become the new standard for Person of the Year, and four additional covers inside the magazine. The Person of the Year short list: Pakistani activist Malala Yousafzai, Apple CEO Tim Cook, Egyptian President Mohamed Morsi and particle physicist Fabiola Gianotti.

*Rick*

Richard Stengel, MANAGING EDITOR



*TIME* interview: President Obama in the Oval Office, above. From left: Rick Stengel, White House press secretary Jay Carney, White House spokesman Bobby Whitthorne, Radhika Jones and Michael Scherer



At the photo shoot, left, the President, with *TIME* director of photography Kira Pollack, second from right

## ON THE TABLET

For this issue, *TIME* commissioned a likeness of the President by artist Michael Murphy, right. On our tablet edition, you can follow Murphy's process and interactively survey his finished product—a 7-ft. sculpture made largely of painted cardboard—in a 360-degree view







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# THE YEAR IN COVERS

READERS' REACTIONS TO OUR BIGGEST STORIES



**1** 'Poor Mitt. The answer is still no.'

ROXANA PERRINS, *The Villages, Fla.*, "So You Like Me Now?" [Jan. 16]

**4** 'HE COULD AFFORD TO BE A LITTLE MORE GENEROUS.'

LOU DOBBS, *Fox Business Network* host, discussing our Warren Buffett cover, "The Optimist" [Jan. 23]

**11** 'It reads like a Tom Clancy novel and makes me proud of our country.'

MARY ELLEN LUKASIEWICZ, *Cumberland, R.I.*, "The Last Days of Osama bin Laden" [May 7]

**20** 'All governments are corrupt. Some are just better at hiding it than others.'

KELLY XIANG, on *TIME*'s Facebook page, "The People's Republic of Scandal" [May 14]

**23** 'The new *TIME* cover looks like Rockwell and Mapplethorpe decided to do a project together.'

@JIMMORTON, on Twitter, "Are You Mom Enough?" [May 21]

**28** 'I CAN TELL YOU ONE THING: ISRAEL WILL REMAIN A DEMOCRACY.'

BENJAMIN NETANYAHU, *Israeli Prime Minister*, in reference to our cover line about him, "King Bibi" [May 28]

**32** 'We have allowed the greedy, the paranoid and the profoundly stupid to control policy on this. And I say this as someone who has owned a gun for 45 years.'

FRANK BLANK, on *TIME*.com, "How Guns Won" [Aug. 6]

**42** 'Your cover left off a box to check. There should have been one marked "neither."'

WALT MCCARTHY, *Long Lake, Minn.*, responding to our cover asking readers which candidate was telling the truth, "The Fact Wars" [Oct. 15]

**43** 'TO THOSE WHO LAMENT THE PASSING OF MUBARAK-STYLE RULE, SYRIA AND IRAN ARE STARK REMINDERS THAT THINGS COULD BE MUCH WORSE.'

CHARLES GURNEY, *Knoxville, Tenn.*, "The Most Important Man in the Middle East" [Dec. 10]

**51** 'How far will Roger Goodell go to ruin the game of football?'

BILL VOGEL, *Pittsburgh*, "The Enforcer" [Dec. 17]



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GROWING  
UP**

**HE'S  
MOVING  
IN**

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ALLIANCE MEMBER 

A man with dark, wavy hair is leaning over the side of a sailboat. He is wearing a white, double-breasted jacket with dark buttons and dark trim, and light-colored trousers. He is looking down at something in his hands. The background shows the rigging of the sailboat and a body of water under a bright sky.

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QUOTESSPEECH THAT SHAPED  
THE WORLD

**'FOR THE FIRST TIME IN  
HISTORY, WE HAVE OUR OWN PRESIDENT,  
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## 2012 IN BRIEF

**'WE WERE TOLD TO HOLD EACH OTHER'S  
HANDS AND TO CLOSE OUR EYES.'**

**JANUARY** Obama's inaugural ceremony was the most-watched event in U.S. history, with 111 million viewers. The ceremony was held in Washington, D.C., on Jan. 20, 2009. Obama's inaugural ceremony was the most-watched event in U.S. history, with 111 million viewers. The ceremony was held in Washington, D.C., on Jan. 20, 2009.

**FEBRUARY** "My husband can't throw the ball and catch the ball at the same time." —Michelle Obama, on her husband's performance in the Super Bowl. Michelle Obama, on her husband's performance in the Super Bowl.

**MARCH** "I'm against very wealthy people... Inflating elections. But as long as it's doable, I'm going to do it." —Barack Obama, on his campaign strategy. Barack Obama, on his campaign strategy.

**APRIL** "I promised you we would win. We have won." —Barack Obama, on his victory in the 2008 presidential election. Barack Obama, on his victory in the 2008 presidential election.

**MAY** "I think same-sex couples should be able to get married. It's a triumph of the people." —Barack Obama, on his support for same-sex marriage. Barack Obama, on his support for same-sex marriage.

**JUNE** "The lesson of this crisis is more Europe, not less Europe." —Barack Obama, on his support for the European Union. Barack Obama, on his support for the European Union.

**SEPTEMBER** "Those in the international community who refuse to put red lines before Iran don't have a moral right to place a red light before Israel." —Barack Obama, on his support for Israel. Barack Obama, on his support for Israel.

**OCTOBER** "The crime is not only that you did to their bodies but to their psyches and their souls." —Barack Obama, on the 2008 financial crisis. Barack Obama, on the 2008 financial crisis.

**NOVEMBER** "This has been the perfect battle." —Barack Obama, on his victory in the 2008 presidential election. Barack Obama, on his victory in the 2008 presidential election.

**DECEMBER** "This is the fate of all free people and all people who build great things." —Barack Obama, on his victory in the 2008 presidential election. Barack Obama, on his victory in the 2008 presidential election.

# THE YEAR IN ODD COUPLES

TWO SIDES TO 2012'S VIRAL STORIES

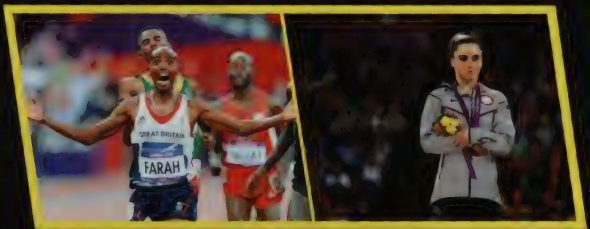
## CHAIR MEN

Clint Eastwood ranted at an empty chair—which he addressed as President Obama—at the Republican National Convention. The President's team tweeted a picture of his chair in response, with the message "This seat's taken."



## MEMEABLE MEDALISTS

British champion Mohamed "Mo" Farah got Photoshopped into images as if running away from scary things. U.S. gymnast McKayla Maroney appeared in pictures of historic events sporting her not-impressed face.



## SPACE TRAVELERS

The space shuttle Endeavour retired to the California Science Center in Los Angeles but not before touring the streets of its new city. The Mars Curiosity rover also found a new home, on the dusty surface of the Red Planet.



**FREE-FALLERS**

A tranquilized bear fell from a tree at the University of Colorado at Boulder. (He survived but died a week later after being hit by two cars.) Austrian daredevil

Felix Baumgartner jumped from the edge of space—24 miles (39 km) above earth's surface—while 8 million people watched streaming video.

**MASQUERADERS**

Russian protesters hid their faces from police with balaclavas as they rallied for feminist punk group Pussy Riot, whose members stood trial for "hooliganism."

Chinese beachgoers weren't protesting; they were protecting, with face masks to prevent tanning.

**BAD SPORTS**

Shortly after being stripped of his seven Tour de France titles for doping, Lance Armstrong tweeted this photo with the note "just layin' around."

NFL replacement refs stood by a controversial call that gave the Seattle Seahawks a victory over the Green Bay Packers despite obvious confusion on the field.



# THE YEAR IN HIGHS & LOWS

OUR GUIDE TO THE  
WINNERS AND LOSERS

GOOD  
YEAR

BAD  
YEAR



SHE IS MY EVERYTHING



THE CENTER OF MY UNIVERSE™ FROM FOREVERMARK

Less than one percent of the world's diamonds can carry the Forevermark inscription  
— a promise that each is beautiful, rare and responsibly sourced.



**FOREVERMARK**



THE DIAMOND. THE PROMISE.

Forevermark is part of the De Beers group of companies. [FOREVERMARKDIAMOND.COM](http://FOREVERMARKDIAMOND.COM)

# THE YEAR IN 15 MINUTES OF FAME

VIDEO VILLAINS, MANIC MOMS AND SCIENCE NERDS WHO (FLEETINGLY) MADE US LOOK, BY JOEL STEIN

## 1 REPLACEMENT REFS

We had no idea that the state of high school football referees was in such crisis, until we allowed those guys to be NFL replacement refs. The subs gave the Seahawks an undeserved victory over the Packers in a Monday Night Football game, angering fans and forcing the NFL to end the lockout after just three weeks of regular-season games. It was the first time in history that NFL refs felt that fans liked them. This feeling lasted one week.

## 2 KONY 2012

One 30-minute video about the atrocities of Ugandan warlord Joseph Kony, watched by more than 100 million good, caring people on YouTube, changed the world for more than 100 million good, caring people. It did not, however, change things for Kony, who has been leading an army of child soldiers since the 1980s and is still alive and well, despite being indicted by the Hague for crimes against humanity and suffering this online takedown. But if Kony ever joins Facebook, he's in for some pretty brutal wall postings.

## 3 FOX NEWS DECISION DESK DATA CRUNCHER ARNON MISHKIN

Finally someone at Fox News stood up to Karl Rove, and that person was the facts.

## 4 FORMER GOLDMAN SACHS GUY GREG SMITH

Goldman Sachs executive director Greg Smith quit the firm publicly, through a New York Times op-ed in which he said he couldn't countenance the policies through which his company screwed over customers, some of whom—and this was the uncountenanced part—were referred to as “muppets.” According to sources at Goldman Sachs, Smith actually quit because he didn't get the

raise he wanted. Then he reportedly got a \$1.5 million advance for his book, *Why I Left Goldman Sachs*. None of this was precisely the kind of justice Occupy Wall Street was working for.

## 5 MAYOR BLOOMBERG'S INTERPRETER

Lydia Callis, New York City Mayor Michael Bloomberg's sign-language interpreter, rocked the Superstorm Sandy press conferences in a way Chris Christie's fleece only wished it could. She Marcel Marceaued the mayor's subtle condescension, Twyla Tharped the danger of high winds and Mummenschanzed the midtown crane that was in danger of falling. It turns out you can sign with a thick New York accent.

## 6 NASA MOHAWK GUY

America, momentarily stuck in 1982, thought that Mars Curiosity mission flight

director Bobak Ferdowsi—who has a nerdier name than any character in *Revenge of the Nerds*—was cool for having a red-tinged mohawk with yellow-dyed stars shaved into the sides. He has since shaved in Morse code for JPL (Jet Propulsion Laboratory) to clear matters up.

## 7 ALY RAISMAN'S MOM

Answering the question “Do teenage Olympic gymnasts have scary, overinvolved parents?” with a resounding yes, U.S. team captain Aly Raisman's former-gymnast mom made other Jewish moms seem as though they don't care at all about their kids' success. NBC brilliantly recorded her as she watched her daughter qualify for the all-around competition and showed her screaming, barking





Service Department

**8**  
medal  
winners,  
Including team  
gold, from over  
12,000 competitors  
representing  
16 countries.

## My dream team. My Service.

We salute Team USA for taking home the gold at the 2012 Global TechMasters.

The best or nothing. More than just a philosophy at Mercedes-Benz, it is the mindset that Team USA had when competing on the international stage. While taking home top honors and being voted the Best Workshop Team in the world, they set the gold standard in terms of knowledge, skill and teamwork. These champions symbolize the dedication and ability of all of our trained technicians, and reflect the kind of exceptional care each and every Mercedes-Benz customer can expect. To learn more, visit [www.mbusa.com/MyService](http://www.mbusa.com/MyService).



Mercedes-Benz

and moving in her seat as if she were on Six Flags' new Living Your Dreams Through Your Kids roller coaster.

#### 8 SHIRTLESS FBI GUY

Future FBI training tapes will explain that if a busty, tanned Tampa socialite with an identical twin sister asks you to investigate the mistress of General David Petraeus for sending e-mails about staying away from her man, proceed with the investigation only if you have not sent said socialite shirtless photos of yourself, which will impugn your impartiality. This will be part of the seven-hour training series called *For Florida FBI Agents Only*.

#### 9 RAFALCA

Ann Romney spent \$77,000 a year on Rafalca, the dressage horse she co-owned. It finished in 30th place at the London Olympics Grand Prix, which was actually a far better return on investment than Sheldon Adelson got on the super-PAC money he spent getting Mitt Romney to finish in second place.

#### 10 ANGELINA'S RIGHT LEG

On Oscar night, Angelina Jolie kept sticking her leg out of her black Versace dress in a way that seemed to imply that the leg both wanted to lead a life of its own and really, really wanted to have sex. This led to leg bombing, in which her thigh was Photoshopped into important historical photos, like one from the moon landing. Some hypothesized that to make her feel better, Brad Pitt purposely diverted attention by making the most humiliating perfume commercial possible.

#### 11 CLINT EASTWOOD'S CHAIR

It didn't have the pomp of Hamlet's father's throne or even the puffy chair from the movie *The Puffy Chair*. It was just a small wooden chair, designed for sitting on while waiting backstage. But how it shone! No one would ever expect a chair with no professional acting experience to upstage an Oscar-winning actor. But it did, and it has wisely waited for more great material before returning to the stage.

#### 12 "ZOU BISOU BISOU"

Jessica Paré, playing Don Draper's wife on *Mad Men*, put on a micro-minidress and whisper-

serenaded him in front of all his co-workers with this French 1960s go-go song about the joys of kissing, causing him to squirm like the Pope getting a lap dance. Paré's version shot to No. 100 on *Billboard*'s Canadian Hot 100 chart. And to No. 1 in conversations started by pathetic married older men.

#### 13 "BRONCO BAMA" GIRL

A Colorado mom who listens to way too much NPR and is very much a 21st century parent simultaneously soothed her sobbing 4-year-old daughter Abby and videotaped her for YouTube as she wailed, "I'm tired of Bronco Bama and Mitt Romney!" NPR apologized for overcoverage of the election and then overcovered the "Bronco Bama" girl.

#### 14 138-POINT GUY

Jack Taylor transferred to Grinnell, known less for basketball than for nothing at all, so he could score a lot of points in a basketball game. The Grinnell system, which has made it the highest-scoring team for 17 of the past 19 seasons, involves giving the ball to one guy to take as many three-pointers as possible. The 5 ft. 10 in. (178 cm) guard set a record with 138 points in a game, on 48% shooting against Faith Baptist Bible College, which did an awful job praying against Taylor.

#### 15 TANNING MOM

Being charged with child endangerment for taking her 5-year-old daughter to City Tropic Tanning in Nutley, N.J., was just the opening salvo in Patricia Krentcil's crusade to embarrass the one hitherto unembarrassable state. Krentcil, we all discovered, had the dark, leathery tan of 15 Snookis. When people commented that she might be overdoing it with the 7 part of GTL (the gym-tan-laundry regimen popularized by the Situation), she called her detractors "jealous, fat and ugly." Unbelievably, she still doesn't have a reality show.



We lost everything in a fire.



The Red Cross gave us hope.  
They showed us love and  
were very understanding and  
helpful during my tragedy.



On a cold January morning, Angelina and her family woke to a fire that within hours had destroyed their home. The American Red Cross was there with shoes, warm clothes and shelter that allowed her family to stay together. Your donations help the Red Cross respond to a home fire like Angelina's every 9 minutes.

Please donate now at [redcross.org](http://redcross.org)

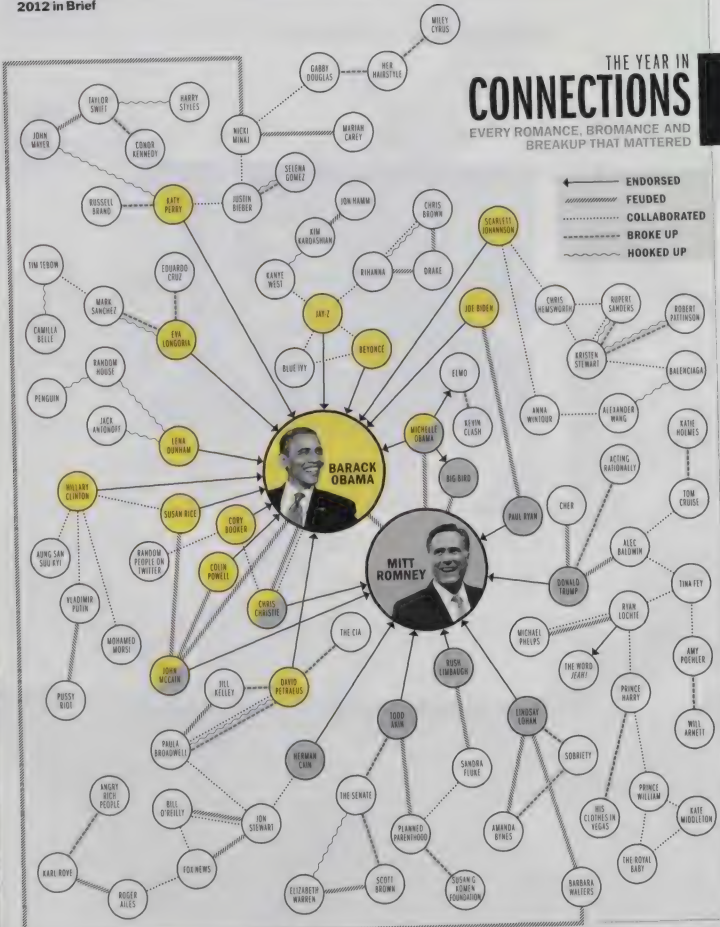
**American Red Cross**

PHOTO AND STORY BY:  
THE PEREZ FAMILY

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# THE YEAR IN CONNECTIONS

EVERY ROMANCE, BROMANCE AND  
BREAKUP THAT MATTERED



# THAILAND IS RISING

Having secured political and economic stability and overcome severe flooding, Thailand's ability to bounce back is appealing to investors. With solid growth, supportive policies, extensive infrastructure and perfect location at the heart of ASEAN and East Asia, Thailand is primed for an era of economic advancement. Inspired by a wise monarch and emboldened by a democratically elected leadership, the future looks bright for the Kingdom of Thailand.

GET THE FULL PICTURE ON THIS UPLIFTING STORY.  
[www.mfa.go.th/Thailandrising.pdf](http://www.mfa.go.th/Thailandrising.pdf)



**1/MARCH** 5 Ahmed mourns

his father Abdulaziz Abu Ahmed Khrer, who was killed by a Syrian army sniper, during his funeral in Idlib, in northern Syria

**2/APRIL** 3 A tornado

rips through Lancaster, Texas, damaging nearly 300 buildings

**3/MARCH** 20 Chinese

artist Li Wei, famous for his gravity-defying stunts, hangs suspended by wires during a performance at La Villette Park in Paris

**4/DECEMBER** 14 Police lead a

line of children out of Sandy Hook Elementary School in Newtown, Conn.,

after a gunman opened

fire, killing 26 people

**5/JULY** 27 Chantal Blunk,

wife of five-year U.S. Navy veteran Jonathan Blunk, waits at Denver International Airport as her husband's casket is loaded onto a plane bound for Reno, Nev., where he would receive a military funeral. Blunk, 26,

was one of 12 people

killed in the July 20

shooting massacre at

the Century 16 theaters

in Aurora, Colo.

**6/APRIL** 17 A Sudanese

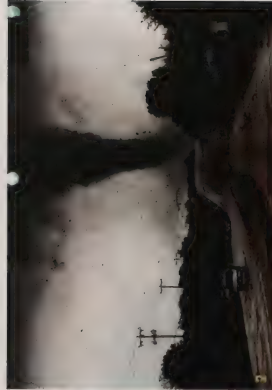
soldier lies dead in

a pool of oil in Heglig, a

disputed border town

that was briefly captured

by South Sudan in April



**7/AUG. 14** A Free Syrian Army sniper fires his rifle from a house in Aleppo

**8/NOV. 4** The Star Jet roller coaster at Casino Pier amusement park, once a Jersey Shore landmark, stands partly submerged in the Atlantic after Superstorm Sandy

**9/APRIL 19** Soon-to-be Olympic gold medalist Gabby Douglas stretches on the stairs of her host family's home in Des Moines, Iowa

**10/NOV. 11** A Palestinian man kisses the hand of a dead relative at the morgue of Shifa Hospital in Gaza City

**1** ANDRACIO REID/AP  
**2** JAMES M. HARRIS/REUTERS  
**3** JAMES M. HARRIS/REUTERS  
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**9** JAMES M. HARRIS/REUTERS  
**10** JAMES M. HARRIS/REUTERS

FOR MORE YEAR-END PHOTO GALLERIES, GO TO [lightbox.time.com](http://lightbox.time.com)





# THE YEAR IN THINGS

THE DEFINITIVE ROBOT, RECALL, PAINTING, PREGNANCY, IPO, BLACKOUT AND REUNION, PLUS 19 MORE TOP THINGS OF 2012

12 21 12

## DATE

The Mayan apocalypse (if you're reading, we survived)



## OFFICE SUPPLIES

Bic for Her pens: perfect for your binders full of women



## SPURGE

Facebook's \$1B acquisition of Instagram



## FASHION TREND

Dresses good enough to wear twice



## REUNION

The Spice Girls' splashy set at the Olympics



## SERVICE

Mobile-payment system Square took off



## WITHDRAWAL

Susan Rice, from contention to become Secretary of State

## DOCUMENTS

Mitt Romney's tax returns, which we'll now never see



## VICTORY

Gay marriage, approved by Maine, Maryland, Minnesota and Washington



## MAKEOVER

"Fresco Jesus," whose new look was a Web sensation



## IPO

Facebook's public offering, an exercise in anticlimax



## TEXTER

Hillary Clinton, if only in memes



## DIVE

Felix Baumgartner's 24-mile (39 km) space jump, which made him the first to break the sound barrier



## RECALL

Imagine. Jonah Lehrer's book, over imaginary Bob Dylan quotes



## COLOR

Gray is 50 shades of it



## DRUG

Bath salts, blamed for cannibalism and more



## BLOG

SCOTUSblog, which broke the news of the health care ruling



## HAIRCUT

Miley Cyrus' pixie do, which led to a chorus of "OMG Miley!"



## PAINTING

The Scream, a painting version of which sold for a record \$120M



## PREGNANCY

Will and Kate's royal baby




## TURF

The Japanese archipelago, which opened a new feud between Japan and China



## ANNIVERSARY

Elizabeth II's 60th year as Queen, a.k.a. the Diamond Jubilee



**THE PEOPLE  
HAVE SPOKEN.  
NOW IT'S  
HIS TURN.**

**REAL TIME**  
**WITH**  
**BILL MAHER**

**STARTS JANUARY 18**  
**LIVE! FRIDAYS AT 10PM** **HBO**

OR WATCH IT ON **HBO GO**

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# THE YEAR IN SOCIAL MEDIA

HOW WE SHARED AND SHAPED THE NEWS ON FACEBOOK, TWITTER, INSTAGRAM AND MORE

NEWS BREAK  
MEME  
CONTROVERSY  
FEUD  
MILESTONE  
REACTION

## JANUARY

■ **@KanyeWest** unleashes an 86-tweet rant about starting a company called DONDA that would "pick up where Steve Jobs left off"



■ 30

■ **@halbryan**

"Is Nickelback still making music?"

"no, we've taken up clogging."

■ **@Nickelback**

## FEBRUARY

■ **#Linsanity** starts trending on Twitter after Jeremy Lin's out-of-nowhere scoring spree helps the New York Knicks win

■ **11** Twitter user **@AjaDiorNavy** posts about **Whitney Houston's** death before news outlets: "omgg, my aunt tiffany who work for whitney houston just found whitney houston dead in the tub... such ashame & sad :-("

■ **21** A hospital in Houston live-blogs an open-heart surgery on Twitter and Facebook



## MARCH

■ **Invisible Children** uploads **Kony 2012** to YouTube

## APRIL

■ **11** **Lady Gaga** breaks from her "accept yourself" shtick: "Eating a salad dreaming of a cheeseburger #PopSingers DontEat"

■ **17** **Tumblr** on track to overtake blog in rank of search terms

■ **MAY** The *New Yorker's* fiction department (**@NYerFiction**) starts publishing a **Jennifer Egan** short story written for Twitter. The first line: "People rarely look the way you expect them to, even when you've seen pictures."

■ **28** IMF head **Christine Lagarde** apologizes via Facebook for insinuating that the famously tax-paying-averse Greeks are tax dodgers: "I'm very sympathetic to ... [their] challenges."

## JULY

■ **Anti-Islam Innocence of Muslims** trailer uploaded to YouTube

■ **@OldSpice**

"@OldSpice Is your deodorant made with really old spices?"

■ **@TacoBell**

"Why is it that 'fire sauce' isn't made with any real fire? Seems like false advertising."

■ **19** Final tweet from **Aurora shooting victim @JessicaRedfield** (to friend @jessespector): "MOVIE DOESN'T START FOR 20 MINUTES"

## SEPTEMBER

■ **Green Bay's T.J. Lang** (@TJLang70) rips the NFL after a lousy call: "F--- it... Fine me and use the money to pay the regular refs."

## OCTOBER

■ **1** Mentions of **Big Bird** spike 800,000% on Facebook after the first presidential debate

## NOVEMBER

■ **1** **Obama** posts most viral status in history: "Four more years," captioning an image of him and Michelle hugging, which got more than 4 million Likes on Facebook

■ **14** Israel's military (@IDFSpokesperson) issues a war threat via Twitter: "We recommend that no Hamas operatives, whether low level or senior leaders, show their faces above ground in the days ahead."



■ **22** 10 million **Thanksgiving** related photos uploaded to Instagram

■ **DECEMBER** **16** In the wake of the **Sandy Hook Elementary** shootings, Connecticut state police warn that anyone willfully posting misinformation on social-media sites will be prosecuted

## JUNE

■ **1** **McDonald's** tweets **@Mike Bloomberg** about the proposed New York City soda ban: "We trust our customers to make the choices that are best for them."

■ **13** **Michelle Obama** joins Pinterest

■ **22** **LeBron James** (@KingJames) rejoices after the **Miami Heat** wins the NBA title: "OMFG I think it just hit me, I'm a CHAMPION!! I AM A CHAMPION!!"

■ **25** **Oreo** celebrates **gay marriage** with a virtual cookie on Facebook





## A LEGEND REBORN

Chivas Regal 25. Inspired by  
the world's first ever luxury whisky  
launched in New York 1909.

Please enjoy Chivas responsibly.

CHIVAS REGAL® 25 Year Old Blended Scotch Whisky, 40% Alc./Vol. (80 Proof)  
©2012 Imported by Chivas Bros. Import Co., Purchase, NY

  
**CHIVAS REGAL**  
AGED 25 YEARS

# THE YEAR IN KIMS

ONE CONTROLS THE MEDIA. THE OTHER IS THE LEADER OF NORTH KOREA. OTHER THAN THAT, KIM KARDASHIAN AND KIM JONG UN HAVE A LOT IN COMMON



## THEY LAUNCH THINGS

KJU Tested several rockets that could be used to bomb South Korea or the West

KK Blitzed Thailand, Israel and the U.K. with her clothing line



## THEY WIN AWARDS

KJU Named Sexiest Man Alive by satirical newspaper the Onion

KK Named Hottest Woman in the World by the U.K.'s Zoo magazine



## THEY'RE ANTI-FREEDOM

KJU Leads "axis of evil" hub North Korea

KK Promoted milk shakes from Bahrain; wears Spanx



## THEY SEEK OUT THRILLS

KJU Practiced statecraft with a British diplomat on a Pyongyang roller coaster

KK Practiced crying on a ride at Six Flags Magic Mountain



## THEY HAVE SIMILAR TASTE IN MUSIC

KJU Wife Ri Sol Ju is known for the song "Footsteps of Soldiers"

KK Boyfriend Kanye West had a hit with "Jesus Walks"



## THEY LOVE ANIMALS

KJU Visited a Pyongyang zoo in May

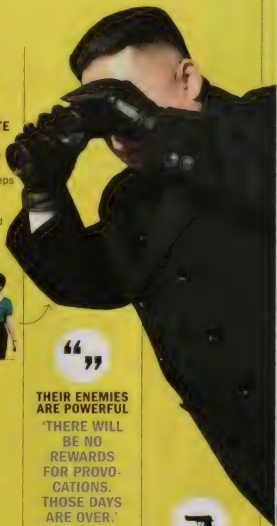
KK Favors leopard print



## THEY HAD HARDWORKING DADS

KJU Kim Jong Il defended North Korea from corrupt outside influence

KK Robert Kardashian defended O.J. Simpson



“ ”

## THEIR ENEMIES ARE POWERFUL

'THERE WILL BE NO REWARDS FOR PROVO-CATIONS. THOSE DAYS ARE OVER.'

—Barack Obama, to KJU



## THEY LIKE TO BEAR ARMS

KJU Photographed at a Pyongyang rifle range; allegedly stockpiling nuclear weapons

KK Photographed at a Miami rifle range; bares arms in strapless dresses

'WHETHER IT'S PARIS HILTON OR KIM KARDASHIAN OR WHOEVER. STUPIDITY IS CERTAINLY CELEBRATED.'

—Jon Hamm, on KK

## THEY'RE ON SOCIAL MEDIA

No joke: @KimJongNumberUn, a satirical Twitter account for the North Korean leader, follows just one person, the real-life Kim Kardashian







# YOU MAY BE A MAN OF FEW WORDS BUT YOU KNOW HOW TO MAKE THEM COUNT.

**WHEN THERE'S SOMETHING WORTH SAYING, YOU SAY IT.**

So if you're like millions of men who have some degree of erectile dysfunction (ED), talk to your doctor. Ask about VIAGRA, America's most prescribed ED treatment. 20 million men already have.

For more information go to [viagra.com](http://viagra.com) or call 1-888-484-2472 (1-888-4VIAGRA).

**THIS IS THE AGE OF TAKING ACTION.**

**VIAGRA**  
(sildenafil citrate) tablets

**WITH EVERY AGE COMES RESPONSIBILITY. IMPORTANT SAFETY INFORMATION BELOW.**

We know that no medicine is for everyone. Don't take VIAGRA if you take nitrates, often prescribed for chest pain, as this may cause a sudden unsafe drop in blood pressure.

Talk with your doctor first. Make sure your heart is healthy enough to have sex. If you have chest pain, nausea, or other discomforts during sex, seek medical help right away.

In the rare event of an erection lasting more than four hours, seek immediate medical help to avoid long-term injury.

In rare instances, men who take PDE5 inhibitors (oral erectile dysfunction medicines, including VIAGRA) reported a sudden decrease or loss of vision, or sudden decrease or loss of hearing. It is not possible to determine whether these events are related directly to these medicines or to other factors. If you experience any of these symptoms, stop taking PDE5 inhibitors, including VIAGRA, and call a doctor right away.

The most common side effects of VIAGRA are headache, facial flushing, and upset stomach. Less common are bluish or blurred vision, or being sensitive to light. These may occur for a brief time.

VIAGRA does not protect against sexually transmitted diseases including HIV.

Please see Important Facts for VIAGRA on the following page or visit [viagra.com](http://viagra.com) for full prescribing information.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit [www.FDA.gov/medwatch](http://www.FDA.gov/medwatch) or call 1-800-FDA-1088.

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## IMPORTANT FACTS

**VIAGRA**  
(sildenafil citrate) tablets

(vi-AG-rah)

### IMPORTANT SAFETY INFORMATION ABOUT VIAGRA

Never take VIAGRA if you take any medicines with nitrates. This includes nitroglycerin. Your blood pressure could drop quickly. It could fall to an unsafe or life-threatening level.

### ABOUT ERECTILE DYSFUNCTION (ED)

Erectile dysfunction means a man cannot get or keep an erection. Health problems, injury, or side effects of drugs may cause ED. The cause may not be known.

### ABOUT VIAGRA

VIAGRA is used to treat ED in men. When you want to have sex, VIAGRA can help you get and keep an erection when you are sexually excited. You cannot get an erection just by taking the pill. Only your doctor can prescribe VIAGRA.

VIAGRA does not cure ED.

VIAGRA does not protect you or your partner from STDs (sexually transmitted diseases) or HIV. You will need to use a condom.

VIAGRA is not a hormone or an aphrodisiac.

### WHO IS VIAGRA FOR?

Who should take VIAGRA?

Men who have ED and whose heart is healthy enough for sex.

Who should NOT take VIAGRA?

- If you ever take medicines with nitrates:
  - Medicines that treat chest pain (angina), such as nitroglycerin or isosorbide mononitrate or dinitrate
- If you use some street drugs, such as "poppers" (amyl nitrate or nitrite)
- If you are allergic to anything in the VIAGRA tablet

### BEFORE YOU START VIAGRA

Tell your doctor if you have or ever had:

- Heart attack, abnormal heartbeats, or stroke
- Heart problems, such as heart failure, chest pain, or aortic valve narrowing
- Low or high blood pressure
- Severe vision loss
- An eye condition called retinitis pigmentosa
- Kidney or liver problems
- Blood problems, such as sickle cell anemia or leukemia
- A deformed penis, Peyronie's disease, or an erection that lasted more than 4 hours
- Stomach ulcers or any kind of bleeding problems

Tell your doctor about all your medicines. Include over-the-counter medicines, vitamins, and herbal products. Tell your doctor if you take or use:

- Medicines called alpha-blockers to treat high blood pressure or prostate problems. Your blood pressure could suddenly get too low. You could get dizzy or faint. Your doctor may start you on a lower dose of VIAGRA.
- Medicines called protease inhibitors for HIV. Your doctor may prescribe a 25 mg dose. Your doctor may limit VIAGRA to 25 mg in a 48-hour period.
- Other methods to cause erections. These include pills, injections, implants, or pumps.
- A medicine called REVATIO. VIAGRA should not be used with REVATIO as REVATIO contains sildenafil, the same medicine found in VIAGRA.

### POSSIBLE SIDE EFFECTS OF VIAGRA

Side effects are mostly mild to moderate. They usually go away after a few hours. Some of these are more likely to happen with higher doses.

The most common side effects are:

- Headache
- Feeling flushed
- Upset stomach

Less common side effects are:

- Trouble telling blue and green apart or seeing a blue tinge on things
- Eyes being more sensitive to light
- Blurred vision

Rarely, a small number of men taking VIAGRA have reported these serious events:

- Having an erection that lasts more than 4 hours. If the erection is not treated right away, long-term loss of potency could occur.
- Sudden decrease or loss of sight in one or both eyes. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. They may be caused by conditions like high blood pressure or diabetes. If you have sudden vision changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Sudden decrease or loss of hearing. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. If you have sudden hearing changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Heart attack, stroke, irregular heartbeats, and death. We do not know whether these events are caused by VIAGRA or caused by other factors. Most of these happened in men who already had heart problems.

If you have any of these problems, stop VIAGRA. Call your doctor right away.

### HOW TO TAKE VIAGRA

Do:

- Take VIAGRA only the way your doctor tells you. VIAGRA comes in 25 mg, 50 mg, and 100 mg tablets. Your doctor will tell you how much to take.
- If you are over 65 or have serious liver or kidney problems, your doctor may start you at the lowest dose (25 mg).
- Take VIAGRA about 1 hour before you want to have sex. VIAGRA starts to work in about 30 minutes when you are sexually excited. VIAGRA lasts up to 4 hours.

Don't:

- Do not take VIAGRA more than once a day.
- Do not take more VIAGRA than your doctor tells you. If you think you need more VIAGRA, talk with your doctor.
- Do not start or stop any other medicines before checking with your doctor.

### NEED MORE INFORMATION?

- This is only a summary of important information. Ask your doctor or pharmacist for complete product information OR
- Go to [www.viagra.com](http://www.viagra.com) or call (888) 4-VIAGRA (484-2472).

Uninsured? Need help paying for Pfizer medicine? Pfizer has programs that can help. Call 1-866-706-2400 or visit [www.PfizerHelpfulAnswers.com](http://www.PfizerHelpfulAnswers.com).

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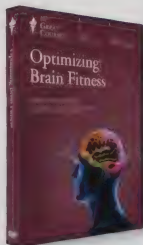


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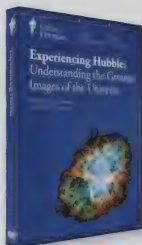
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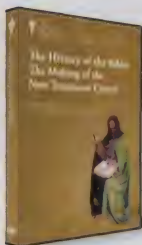
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# BRAZIL

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## A 21st-Century Partnership

A diverse and influential country, the land of the Amazon never fails to fascinate. Now strengthened U.S. links are providing greater investment opportunities.

**W**hen Brazil is in the news, the world looks on with interest. Spanning roughly half of South America, Brazil's climb from an underdeveloped country to the vast powerhouse it is today is testament to the work of proactive governments and steady investment.

Last year, the country of almost 200 million people overtook the United Kingdom as the world's sixth-largest economy in terms of GDP and was one of the first emerging markets to begin to recover from the global recession. In 2010, growth reached 7.5%, the highest rate for 25 years. Having enjoyed an economic boom and a substantial rise in the standard of living under the widely revered "man of the people" President Lula da Silva, Brazil is now led by his former chief of staff Dilma Rousseff. Continuing the country's transformation, Rousseff unveiled a new industrial policy—the "Bigger Brazil" plan—to support domestic producers, encourage investment and fuel innovation.

As the two largest economies in the Western Hemisphere, the U.S. and Brazil have made huge efforts in recent years to reinforce business links. During an official visit to Brazil in 2011, U.S. President Barack Obama declared it "one of the most democratic countries in the world."

The Economic Partnership signed that year has gone a long way to enhance cooperation. Trade and investment between the two countries reached a record high of \$74 billion and the U.S. accounted for 10% of all Brazil's exports and 15% of its imports. President Obama identified Brazil as a priority market under both the National Export Initiative and the 2012 federal budget, with SelectUSA, the U.S. government's investment agency, promoting exports and two-way investments. The two countries now have an open skies agreement, and there has been a noticeable hike in the number of tourism arrivals both ways.

The strengthening of these bilateral relations covers many spheres, including trade and investment, economic opportunity, science, tech-

**MARTINS GROUP 60 YEARS INTEGRATING THE BRAZILIAN DEMAND CHAIN.**

**MARTINS**  
SOLUÇÃO INTEGRADA MARTINS

nology and innovation, social inclusion, environmental sustainability, and preparation for the 2014 FIFA World Cup, the 2016 Olympic and Paralympic Games, and other mega events.

### On the Road to Success

All over Brazil, companies have been demonstrating a commitment to innovation and enterprise for decades.

Celebrating 60 years of success, and with suppliers now ranging from Colgate, Procter & Gamble, Unilever, Nestlé, and Kraft Foods, to Samsung, LG, Sony and Panasonic, Grupo Martins (Martins) is a story of growth and entrepreneurship resembling the American Dream. As a boy of 17, the company's president and founder Alair Martins do Nascimento lived in rural Minas Gerais, but set his sights on living in the city of Uberlândia when he visited his uncle's grocery store there.

"I was delighted to see the services he provided to customers, so I started to convince my father to let me move to the city to study and work in commerce," Martins says. "When my uncle fell ill, I had to assume the role of manager for 30 days. It was then that everyone realized I fit the job."

Martins opened his own store two years later in December 1953. He worked 16-hour days and went without a holiday for 10 years, his enthusiasm for what he did giving him the energizing force he needed to overcome all obstacles. And it paid off.

"During the first five years, we grew by 70% per year. We then started buying in larger quantities and working with a mix of wholesale and retail," he says. "In 1964, when the country became more stable politically, we began to have vendors outside Uberlândia."

By 1975, the entrepreneur had become a pioneer in information technologies in the retail sector in Brazil. His son studied to become

a systems analyst, and in the 1980s Martins was bringing first-world technology to Brazil.

Walter Faria, executive president for Martins, takes up the story: "In 1980, Martins was the first to deploy the IBM mainframe and the sales team later implemented IBM notebooks. It was a revolution in the market. Now, of course, we are implementing tablets and are the largest distributor of Samsung. We also launched the Martins University app. Technology, processes, people and management are the basis for our development."

**"We serve 200,000 retailers in Brazil and it is our mission to help them survive."**

*Walter Faria, Exec President., Grupo Martins*

"We are the only national multichannel distributor, since we operate in all types of stores and in all states of Brazil. Innovation is one of the values of the company and Alair has always striven for it. No company in the world has the level of sophistication our distribution channel has. We serve 200,000 retailers here in Brazil and it is our mission to help them survive."

Óticas do Povo is another story of a young boy making good. Established 35 years ago, the optical retailer now boasts close to 100 stores—40 of them in landmark malls—and is aiming to reach 200 by 2018. "I am the son of a farmer and came to the big city when I was 18 to study the optical industry," says founder Manoel Pessanha. "Today, we have 1,300 employees and a very strong brand."

**70 YEARS**

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The advertisement shows a scenic view of a park with a river, trees, and a bridge.



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- 4,300 shops
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A communications strategy based on service, quality and a fair price has been the key ingredient to the company's success. "Today, we serve all social spheres and are recognized for our credibility," Pesanha says. "Brazil is experiencing a magical moment. Access to education and information has grown, as has the life span of the average Brazilian, due to an extensive range of government actions. There are around 120 million eyeglass wearers in Brazil but only 50 million have access to our stores, so this is a market that still has to grow. Oticas do Povo is focused on the Brazilian market but, considering I am an entrepreneur by nature, I can never say no to the growth and development of our brand internationally if the opportunity arises."

Established 37 years ago, Multiplan is now one of the larger shopping center companies in Brazil. With a portfolio of 14 units in operation in the southeast, south and midwest, and with four more slated for the end of the year, the chain boasts 4,300 stores, more than 8 million square feet of leasable land and an annual influx of 160 million consumers.

Multiplan's CEO and founder, José Isaac Peres started his first company, in real estate, at the age of 22 while he was studying economics. He notes, with some relief, how much more stable the Brazilian business climate is today.

"I have lived through decisive moments of a revolution, hyperinflation and a military regime, but today Brazil is a stable democracy that overcomes obstacles to improve," he says. "The newest challenge we face is related to the labor market, because until recently, the educational system has not been able to provide specialist workers, particularly in technical professions."

Despite the challenges, however, Peres foresees strong growth within his industry: "Malls offer consumers the most modern and efficient structures to replace traditional trades. The market for commercial space does not stop growing and there is still significant demand in larger cities waiting to be met. Multiplan has a well-defined focus: Our integrated projects combine shopping centers as anchors for commercial and residential services. We work with the heart—our malls are designed to give pleasure to people, providing entertainment and social experiences. When we launched our IPO in 2007, we decided to seize the challenge of doubling the size of our company within five years. In fact we surpassed that goal. If we continue at this rate, we will soon be among the world's 20 largest mall companies."

"We lead on profitability. Around the malls, we build offices, homes, hotels, medical centers and a whole integrated platform. We are very satisfied with this strategy and will continue on that path. Brazil has 5,200 municipalities and only 200 of them have shopping malls, so the potential for growth is absolutely huge. I believe Multiplan is a gateway to some of the most promising markets in the Brazilian economy. We are a dynamic company with a professional and young, but mature team. In terms of a return on investment, our numbers say it all. Standard and Poor's gave us an investment grade on a global scale, the only one to be awarded in our industry."

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"Multiplan is one of the least indebted companies in its sector of activity because we know that debts have to be paid. We went from zero to a company that is valued in the stock market for around 11 billion reais (\$5 billion) with assets of \$700 million. We achieved this because we place great importance on our partners' success. Some of them have been with us for more than 20 years. Buying Multiplan shares is a good deal, and we are open to new partnerships."

### A Champion for Industry

The Federation of Industries of the State of São Paulo (FIESP) is the largest professional association in Brazil's industrial sector. Representing around 130,000 industries across many areas, FIESP has a mission to advocate for private enterprises and to respond to national issues that impact on industrial activity and development.

As home to half of the manufacturing industries in the country, São Paulo provides more than a third of Brazil's gross domestic product and is therefore the perfect base for companies wishing to grow. With excellent infrastructure, creative people and a potential consumer market of more than 42 million, the state is gaining credibility around the world as a production hot spot.

Paulo Skaf has presided over FIESP for the last eight years. As he explains, this highly effective organization fights to reduce interest rates, energy bills and taxes on production, making it a reliable partner for international companies looking to base themselves in the country.

**"We fight to make our industries, and Brazil, more competitive."**

*Paulo Skaf, President, FIESP*

"FIESP was created before 1930 and is intertwined with Brazil's history," Skaf says. "It has an agenda that jumps across the boundaries of industry. We fight to make our industries, and Brazil, more competitive and have had much success. Since 2010, for example, we have fought to reduce the price of electricity. Brazil produces its energy very cheaply compared to most other countries, as 80% of it comes from hydropower stations, yet we have some of the most expensive electricity in the world."

"During our campaign, not only did we succeed in obtaining a tariff reduction for industry, but we also managed to have it reduced for all Brazilians, for homes, hospitals, bars, restaurants and so on. We also reversed the government's decision to recreate the tax payment check, which would mean paying a tax on every transaction. Now, we are



Paulo Skaf, President of the Federation of Industries of the State of São Paulo

working to bring down interest rates and the exchange rate." FIESP also advocates for infrastructure investments and better academic and technical education so that Brazil can continue to grow. "Our strategy is to showcase Brazil," Skaf says. "It covers much of the South American territory with 8,000 kilometers of coastline, a tropical climate, competitive businesses, talented people and natural wealth. Nobody who knows Brazil dislikes it; there are only those who don't know it yet. We have superb opportunities to thrive in the coming years, with the soccer World Cup in 2014 and the Olympics in 2016. FIESP participated in the Rio+20 Earth Summit this year with a project called Humanity, and we received 250,000 visitors."

"It is rare to have 15 days when FIESP does not receive a world authority," the dynamic president continues. "This year, we have already met David Cameron, prime minister of the U.K., and the new president of Mexico, Enrique Peña Nieto, and this makes our work rewarding. Our focus is on giving people opportunities, and we strive to seek the technology and innovation that will differentiate Brazil from the rest."

Brazil has received investments from the U.S. for more than 100 years, Skaf notes, describing the U.S.-Brazil connection as "a relationship of affection." Despite the already large flow of trade between the two countries, there is still enormous potential for growth. "For Brazil, the U.S. is a leading economy comprising 20% of the world's GDP," he says. "For the U.S., Brazil is an important partner and the largest Latin American representative."

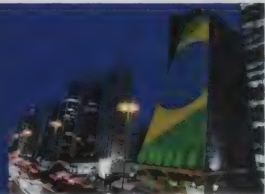
"FIESP has received dozens of missions to and from the U.S.,

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The Federation of Industries of São Paulo – FIESP  
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**FIESP**

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Fig's Bay in Fernando de Noronha Island.

including state governors, secretaries of state, senators, congressmen and businessmen. FIESP takes care of all companies installed in Brazil, because they contribute to the economy, providing taxes and creating jobs. They deserve our respect and affection."

## Building a Country

During the 2011 U.S.-Brazil meetings, President Rousseff underscored the importance of mobilizing investment in infrastructure, not just for the upcoming global sporting events, but also in urban sustainability. Many companies are rising to the construction challenges brought about by an ever-expanding middle class.

Now boasting international clients that include Coca-Cola and Continental, Hahne, a construction company, started in 1942 in Brazil with the aim of turning people's dream projects into reality. Dedicated to the customer, responsive to market trends and committed to the quality of its buildings, the company has built a transparent, strong and solid history along with its great works and is widely recognized as a center of excellence in construction.

For company president Rui Hahne, the lack of investment in infrastructure has an impact on less-affluent consumers and also on exports and imports. He does, however, see a very positive future ahead.

"Hahne was founded by my father and his partner in 1942. The ultimate goal was always to do engineering," Hahne says. "We didn't want to just do any kind of construction, but wanted to find the best solution to any problem, creating value and helping the customer as well as we could. Today, we seek the best engineering solutions internationally and develop innovative methods for coatings and structures, and this is one reason for the longevity of our company."

The big challenge, he says, is to convey to the market the relation-

ship between cost and benefit: "We realized that in all sectors, the trend is to follow the lowest price and not think about the economic and environmental consequences. For me, a construction firm should also add the cost of environmental impact into the equation."

Until a few years ago, Hahne worked primarily with industrial, residential and tourism buildings, but it is now diversifying into the energy market, particularly wind, solar and hydroelectricity, as well as highways and airports. Corporate social responsibility is a large factor.

As Hahne explains: "Businesses are made by people and in Brazil there is a particular paternity culture where the company takes care of the employee like a son. That is something that is unlikely to change. We want to be known as a leading company in the field of technology and recognized as a relevant company in Brazil and in the world."

"Investors can expect our best efforts at all times. We will use the experience we have gained in the last 70 years to find solutions. We have worked for multinational companies since we started and are in the right position to cover the demands of the international market."

Meanwhile, with 7,600 employees, Maiwee Malhas Ltda. has also grown from relatively humble beginnings to become one of the leading garment companies within Brazil. Its success started in 1968, when it had only four employees. Since then, it has won numerous awards relating to best practice and social responsibility.

Managing director and CEO Guilherme Weege explains how the growth in Brazil's middle class has affected his business. "Today, anyone can own a home and we see this with our employees," he says. "We need to build car parks at our places of work now, whereas before, people came by bus or bike. Brazil has had decades of high growth and plenty of challenges, particularly in infrastructure, education and red tape, but we are heading in the right direction."

The first seeds of the Malwee empire were sown in 1906 when Weege's grandfather set up the company, one of many businesses within the family's portfolio. "My father later observed several branches of business and fell in love with the textile industry," the Harvard-educated business leader says. "When he returned to Santa Catarina in 1968, he reorganized Malwee. It has been a continuous growth path—we are one of the oldest companies in the state and also the largest. Among our many achievements is a commitment toward sustainable production, which in the current market is seen as innovative but has been incorporated into our DNA since the company's foundation."

Malwee is gearing up for an increasingly dynamic and internationalized market. "The presence of more international brands in saturated markets will create competition," says Weege, "but we will continue to differentiate ourselves with innovation."

BMC Máquinas, which started in 2007, supplies machines to construction companies, such as Hyundai Heavy Industries, Zoomlion, CIFA USA, Link-Belt, the Merlo Group, Daemo, Shantui and XCMG. Growing at a rate of 25% per year, BMC is aiming to become the largest supplier within its field in Brazil, according to company president Felipe Cavaliere: "The construction/infrastructure industry

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is the industry of the next two decades in Brazil," he says. "We now have around 40 million consumers who need access to water, food, transport, airports and housing so we need to provide infrastructure for these people.

"We are in the right industry and have the right partners. Revenues are close to \$1 billion and we are growing at a rapid pace. BMC has emerged to create a different way of doing business in this industry. We started representing Hyundai Heavy Industries in 2007. They are backed more than 10,000 miles away and we had to have the equipment ordered and available for sale within 120 days. The challenge was huge, but we became the first name in the excavation sector and created a very strong bond. Hyundai invited us to partner with them for their Brazil factory, which shows the degree of confidence they have in us to add value to their operation.

"We strive to bring the best machinery to each sector. We needed a premium crane to sell in Brazil because we know that world-class work done by Petrobras for example needs the best equipment. We therefore sought the best in the industry, which was the case for Link-Belt. It is the same with Merlo. This country needs reliable equipment at a fair price."

Cavallieri and his partner Christiano Kunzler, both 34, have grown an agile company with strong credibility in the domestic market. They guarantee their services to clients by avoiding low-quality partners and are now seeking investors that have the appetite to grow and develop in the infrastructural sphere.

Agnelo Queiroz, governor of the Federal District of Brasília, the country's fourth-most-populated city and its capital, describes how vision and long-term growth plans are helping boost the quality of life across Brazil: "In Brasília, a young city that has grown rapidly,

the urban mobility plan is boosting our infrastructural networks with a multimodal transport system for 2014. Brasília is not just the administrative capital but a large consumer center. We are a dynamic region with great, untapped opportunities so we are really focusing on science and technology and intelligence."

Antonio Rocha da Silva, president of the Federation of Industries of the Federal District (Sistema FIBRA) also believes Brasília is a country of opportunity. FIBRA was established 37 years ago to undertake the Industrial Development Program for Brazil, aggregating the most im-

**"Brasília is not just the administrative capital, but a large consumer center."**

*Agnelo Queiroz, Governor, Brasília*

portant productive sectors of Brasília. Today, FIBRA is a strong driver of economic and social development in the capital.

"FIBRA's big challenge is to increase the participation of the industry in the federal district's GDP, which is the largest per capita in the country," says da Silva. "In 2004, we contributed 7.2%, and in 2011, we contributed 10.2%. Any city has to invest in industries to have economic growth, and our goal is to arrive at 2014 with a 14% share."

FIBRA is one of the main advocates of the federal district's flagship Digital Capital Technology Park currently under development. The hub boasts technological features capable of attracting competitive brands from around the country and of international standard. Around

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THAT FLY BEYOND  
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Brasília ranks at the top in terms of quality of life in Brazil and boasts one of the highest national GDP per-capita rates. The Federation of Industry of the Federal District (Fibra), through its Industrial Social Service (Sesi), National Industrial Education Service (Senai), and the Euvaldo Lodi Institute (IEL) promotes initiatives and policies that enhance the production capacity of local industries and the development of the Federal Capital, ensuring it always remains the best option for your investment.

www.sistemafibra.org.br

 **Sistema FIBRA**

1,200 companies will be installed, generating almost 25,000 jobs.

"This project will make a huge impact on the district's industry, developing it and making it more efficient," da Silva says. "The park has already attracted a number of high-profile customers, including the Bank of Brazil and Caixa Econômica. Investors should be aware that the best per capita income comes from the center of Brazil because it offers proper logistics and easy distribution.

"In recent years, there has been an improvement in exports with the implementation of a new factory from Sadia in Brasília, which represents over 60% of exports in the district. In 2004, Brasília exported a total of \$10 million; by 2011, that had reached nearly \$180 million. We are working in line with the government to change Brasília's profile and highlight its entrepreneurial and industrial might."

Minister of planning, budget and management Miriam Belchior explains the impact of the social and urban works that were implemented during the Lula administration and are continuing under Rousseff. "We targeted infrastructure works that would reduce bottlenecks to development, we focused more on regional development, and we introduced housing construction projects, like "My House, My Life" which worked on sanitation, upgrading slums, drainage plans and so on. We performed 94% of the total project."

**"Our market share has grown more than 40% per year since 2007."**

*Jorge Fontes Hereda, President, Caixa Econômica Federal*

Caixa Econômica Federal (Caixa) has been crucial to this development. A strategic partner to the government's social and infrastructural development programs, Caixa is the country's fourth-largest bank by assets and the third by loan portfolio, which has grown at a rate of 40% in recent months. With 89,000 employees and more than 60,000 service outlets, Caixa manages more than 70% of Brazil's real estate credit and 36% of the country's savings.

Jorge Fontes Hereda, president, explains the bank's meteoric rise: "The big challenge for Brazil was to overcome the inertia, the macroeconomic balance and the belief that the country couldn't change. This has been achieved through the Growth Acceleration Program (PAC). Today, every sector in the country, public or private, knows the amount of investment the country can make, for what purpose and how it can prepare itself for the coming years.

"Caixa has participated strongly in this. Brazilian municipalities already know that today they will be able to access resources for sanitation, infrastructure, and housing, and this ability to plan has been a victory for the PAC. Caixa's role in this is to analyze the projects from local governments and ensure their implementation and funding. Our strategic plan predicts that we will be among the three largest Brazilian

banks by 2020. Caixa is regulated like any other bank in Brazil and has specific goals. "We do not involve ourselves in anything that is not based on a high-quality analysis," Hereda says. "In late 2007, Caixa had 6% of the total credit in the country and now it has 12.3%. Our market share has grown more than 40% per year over the same period. At a time when most banks were retreating, Caixa increased lending and made profits, and it maintains an important role for Brazil.

"In 2011, it continued to provide credit and carry out its role with stable indicators. Caixa approves more than 4,000 contracts per day, which equates to approximately 360 million reais per day of mortgage loans.

Caixa has a loan portfolio of more than 270 billion reais and some of the lowest interest rates in the Brazilian financial market. We want to set an example for the country and show that it is possible to reduce spreads that are too high and be a bank that is simultaneously efficient and profitable."

## Securing the Future

Education is another important government priority, and it covers the spectrum of the U.S.-Brazil partnerships. Brazil is committed to filling its skills gap with more engineers, scientists and teachers, and undertaking more exchanges with the U.S.

At home, good progress has been made with educational initiatives. In just 14 years, the Instituto de Educação Superior de Brasília (IESB) has become recognized as a center of excellence. It offers 43 undergraduate programs, 25 post-graduate courses and some of the best laboratories in the country, as well as modern facilities and excellent use of technologies. The university places a strong emphasis on outreach work and encourages social inclusion within Brazil through student financing schemes.

"Education must be seen as an instrument of economic growth," says IESB president Eda C. B. Machado de Souza. "Our most important pedagogical assumption is that our students' learning is facilitated if the theory and educational practice run together.

We have invested heavily in the selection of teachers whose academic profile is linked to the labor market, as well as engineering and technological courses, without forgetting the principles and values that guide us. President Rousseff's decision to invest in certain scholarships means investing in young people who will change the future of this country."

São Paulo security company Embrase has built a strong business based on asset protection and the general safety of its 750-plus customers. Offering exceptional customer service and a trusted brand, now 25 years old, the company was the first in the country to offer professionally trained security staff to businesses and individuals. It currently has 160,000 employees working across Brazil. "Embrase has invested in technology, safety and qualified employees to ensure the highest levels of security," says Wagner Martins, the firm's president.

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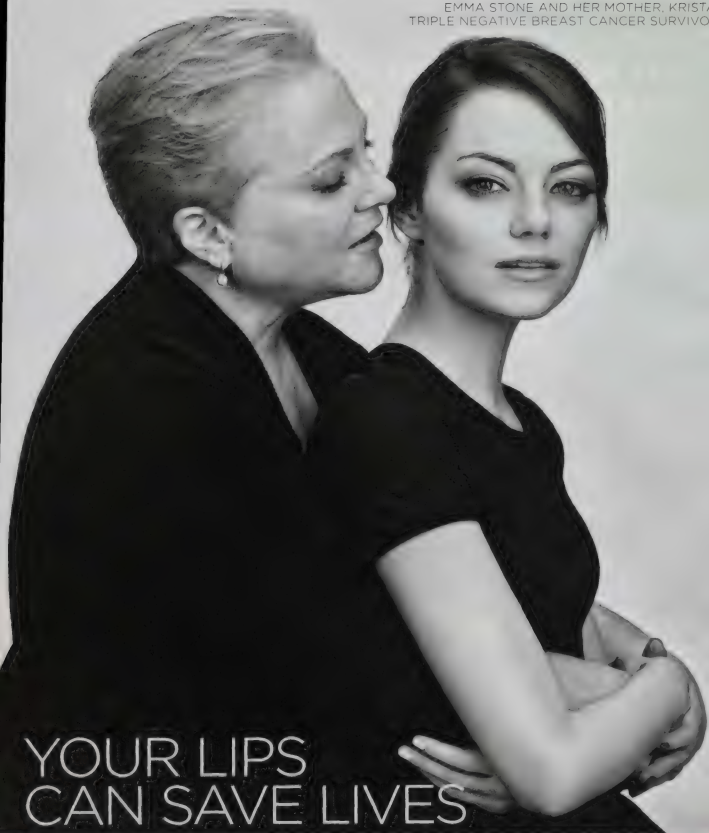


# GET TO KNOW CAIXA. A BANK WITH THE GREATNESS OF BRAZIL.

CAIXA was created 151 years ago with the commitment to improve people's lives. Today, it is the main agent of the Federal Government's public policies and the largest public banking institution in Latin America. Brazilians trust CAIXA when it is time to finance their homes, save and get loans. Millions of workers also use their benefits through CAIXA. Besides, CAIXA sponsors sports, finances development initiatives in the country and actively participates in cultural, social and environmental projects. A banking institution with 67 million clients, R\$160 trillion in assets and more than 60,000 service branches.

CAIXA: A BANK WITH THE SIZE AND STRENGTH OF BRAZIL.

EMMA STONE AND HER MOTHER, KRISTA,  
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# THE YEAR IN HIGHLIGHTS

INFLUENTIAL FIGURES IN CULTURE, TECH AND MORE REVEAL WHAT ROCKED THEIR INDUSTRIES—AND HINT AT GOOD THINGS TO COME.

## I LOVED ...

**Mad Men's "Far Away Places" episode.** It's where Don Draper (Jon Hamm) takes his wife Megan (Jessica Paré) to a Howard Johnson's in upstate New York, and they have one of the most well-observed, escalating relationship arguments over little glasses of sherbet. I always think about it because it's such a great use of prop and the light seems so organic. And I just loved the acting.

## I'M LOOKING FORWARD TO ...

The final season of **Breaking Bad**. That's going to be this summer, and I'm so excited to see what Vince Gilligan does with the last eight episodes.



**MINDY KALING**  
CREATOR AND STAR,  
*THE MINDY PROJECT*



TV

**STEVEN SPIELBERG**  
DIRECTOR, *LINCOLN*

## I LOVED ...

The **huge variety of films**—from franchise blockbusters, like *Skyfall*, to the serious and offbeat films, like *Beasts of the Southern Wild* and *The Intouchables*. There's also more older audiences going to the movies, even with the economy down. There's a very strong sense of optimism in this industry, which I don't feel we've experienced over the past several years.

## I'M LOOKING FORWARD TO ...

Martin Scorsese's ***The Wolf of Wall Street***. Almost any movie Marty makes is one that I look forward to.



FILM



**FELIX BAUMGARTNER**  
STRATOSPHERIC SKYDIVER

## I LOVED ...

The first commercial flight to the International Space Station and the Mars rover landing.

These kinds of accomplishments always have applications far beyond the projects themselves.

## I'M LOOKING FORWARD TO ...

Neuroscientists being able to predict what you'll do before you do it. I had experience with **neural mapping** for my own training, and the results were fascinating.



SCIENCE

**CARLY RAE JEPSEN**  
SINGER, "CALL ME MAYBE"

## I LOVED ...

Gotye's "**Somebody That I Used to Know**." The first time I heard it was through a Facebook post, and I was obsessed. There are just certain things, especially in the chorus, that remind me of the music I love. And I'll always appreciate the introduction to [guest vocalist] Kimbra, who is now one of my favorite artists. It's great to see a song like that take off and get the attention it deserves.

## I'M LOOKING FORWARD TO ...

New music from **Robyn**. That would be amazing. She's probably one of my top five favorite artists of all time.



MUSIC



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**MICHAEL KORS**  
DESIGNER

**I LOVED ...**

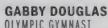
Seeing so many new people in new positions:

Jil Sander returning to Jil Sander, Raf Simons moving to Dior, Hedi Slimane moving to Saint Laurent and now **Alexander Wang** heading up Balenciaga. I know what it's like to commute from New York to Paris, so if Alex has any questions, he can give me a call.

**I'M LOOKING  
FORWARD TO ...**

**Inauguration Day.** It's always interesting to see what people wear, because they've got millions of eyes on them but they also don't want an outfit to overwhelm the day. Mrs. Obama does it so well.

**FASHION**



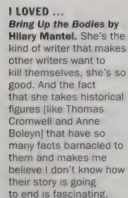
**I LOVED ...**

**Usain Bolt's races.** I didn't get to go to his events, but my sister, my brother and I were watching him on TV, and he was amazing. I didn't watch any more Olympics after he ran, so that was just a good note to finish on.

I'M LOOKING  
FORWARD TO ...

**The Super Bowl.** Hopefully the Patriots make it, because that's my favorite team. But either way, it's a lot of fun.

**SPORTS**



**GILLIAN FLYNN**  
AUTHOR, *GONE GIRL*

BOOKS



**BEN SILBERMANN**  
CEO, PINTEREST

**I LOVED ...**

The rise of **4G mobile Internet**. It makes using apps on the go really practical. I look around my neighborhood, and I see people hailing a cab or ordering their food and then paying for it all with their phone. I've read about that stuff for a really long time, and now it's starting to become commonplace.



**I'M LOOKING  
FORWARD TO...**

Apps that let strangers help each other out. One I have now, called **Waze**, uses crowdsourced data to tell me stuff like, "Hey, there's an accident on the side of the road in 2,000 feet." I think we're going to see a lot more of that.



TECH




**"WE ARE NOT  
GOING TO  
OVERTURN  
ROE V. WADE**

*-Rachel Maddow*



**LEAN FORWARD**

 **msnbc**

# FAREED ZAKARIA ON FOREIGN POLICY, WHY BARACK IS LIKE IKE



ONE OF THE LEAST CONTROVERSIAL judgments about Barack Obama's first term is that he has been a good foreign policy President. Certainly that's what the American public believes. It has given him high marks on overseas affairs for much of his presidency, especially after the successful operation to kill Osama bin Laden. In the final presidential debate, Mitt Romney, who had relentlessly attacked Obama in their two previous matchups, decided that the wisest course was to agree with the President on virtually every foreign policy issue.

But what has been the character of Obama's foreign policy? Most Presidents gain fame and respect in this realm because of some large-scale project. Franklin Roosevelt led the U.S. to victory in World War II, Harry Truman organized the Marshall Plan and NATO treaty, and Richard

Nixon opened the door to Communist China. While Obama has accomplishments to his credit, the signature trait that has helped him steer the country well—and receive credit for it—is what he has not done.

Obama's foreign policy has, above all, been characterized by strategic restraint. At a time when old orders are changing and new forces are emerging, he has kept the U.S. engaged and at the forefront of these trends, but he has been wary of grand declarations and military interventions.

Obama came to office believing that the U.S. had overextended itself militarily. He believed that the cost of extravagant involvements in Iraq and Afghanistan had been the erosion of ties with allies and the worsening of relations with adversaries. He set out to change things, restoring diplomacy but also

systematically drawing down in Iraq despite the advice of most of his military leaders. He experimented with a build-up in Afghanistan, partly because he was outfoxed by the generals, but he soon found a way to begin reducing that mission as well, shifting from counterinsurgency to counterterrorism. He set constraints and limits to the U.S.'s military intervention in Libya and has been wary of a new one in Syria. He has navigated a path on Iran that has increased pressure and tightened sanctions while refusing to rush into war—so far.

Such restraint is much harder to execute than it may appear. In a world without a serious military rival, the U.S. becomes the world's emergency call center. When trouble brews anywhere, it brings with it cries for the U.S. to get involved and solve the problem. That's an opportunity, but it comes with huge caveats. American military intervention cannot always create a stable new liberal order. It often generates its own negative consequences that unfold for decades. It can also throw a President entirely—and disastrously—off course.

**Obama has tried to refocus** American foreign policy toward Asia. If the U.S. is to remain a global superpower, it must continue to be a player in the Pacific. Obama understands that to make this shift, it is not enough to draw down in the Middle East; he will need to deepen U.S. involvement in Asia—a commitment made not as a panicked response to a crisis but as part of a larger strategy.

The President whom Obama resembles most in this respect is an unlikely one: Dwight Eisenhower. In a new

book on his foreign policy, *Ike's Bluff: President Eisenhower's Secret Battle to Save the World*, Evan Thomas points out that Eisenhower was determined to keep the U.S. out of the many crises erupting around the world, whether they were caused by decolonization or communist aggression. In another fine new book on Ike, *Eisenhower in War and Peace*, Jean Edward Smith points out that from the end of the Korean War to the end of his presidency, not one American soldier died in combat.

To pull that off, the former supreme commander repeatedly overruled his own advisers. Eisenhower refused to support America's closest allies, the British and French when they—with Israel—invaded Egypt. He kept his calm when Khrushchev threatened war over Berlin. He declined to send forces to help the French in Vietnam, even after their rout at Dien Bien Phu. During two tense crises, when China launched military attacks on Taiwan, Ike would not contemplate an American response. At the height of the Cold War, with fears running high that Soviet communism would defeat the U.S., only Eisenhower—the greatest military hero of World War II—could stay sane and resist calls for action. Four years after Eisenhower left office, President Lyndon Johnson faced similar crises and similar calls for intervention, and he gave in, derailing his entire presidency.

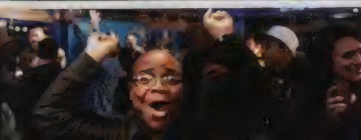
Obama lacks Ike's military pedigree, but he does seem to share some of his character traits—a deliberative process of decisionmaking, a disciplined evaluation of costs and benefits and perhaps above all an instinctive feel for the power of strategic restraint. ■





**"WE ARE NOT  
GOING TO  
REPEAL  
HEALTH REFORM**

*-Rachel Maddow*



**LEAN FORWARD**





# JOE KLEIN THE 2012 TEDDY AWARDS FOR POLITICAL COURAGE



*It is not the critic who counts: not the man who points out how the strong man stumbles or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again... who spends himself in a worthy cause; who, at the best, knows, in the end, the triumph of high achievement, and who at the worst, if he fails, at least he fails while daring greatly.*

ELECTION YEARS ARE NOT often fertile ground for the distribution of Teddy Awards—my annual homage to political courage, named after Theodore Roosevelt, whose quote above provides the name for this column. This election was no exception. In fact, I should probably award a reverse Teddy—perhaps we can call it a Warren G. Harding—to Mitt Romney, who conducted one of the least courageous, most mendacious presidential campaigns I've ever witnessed. But 'tis the season to be charitable, so I'll award a Teddy instead to former governor Jeb Bush, who

said in a June speech that neither his father George H.W. Bush nor Ronald Reagan, "based on [their] record of finding accommodation, finding some degree of common ground" with Democrats, would have been very comfortable in today's Republican Party. Young Bush has been smart and accommodating, and conservative, on issues like education, poverty and immigration. I suspect he has a future in politics. So this Teddy is both for honesty rendered this year and the promise of courage to come in reforming his party.

Bush the Elder's stature as

President grows with every passing year. He was the finest foreign policy President I've ever covered and a man who defied his party on tax increases while imposing budget restrictions on the Democrats. He passed the Americans with Disabilities Act and a successful cap-and-trade regime for the sulfur dioxide that caused acid rain. He deserves a retrospective Teddy, as does his old primary opponent Bob Dole, who was wheeled onto the Senate floor to lobby in December for passage of a U.N. treaty that would extend the values in our Disabilities Act to the rest of the world. Today's disgraceful Republicans voted it down. Both Bush and Dole were in and out of hospitals toward the end of this year. I don't know how much longer we'll have them around, but these men are giants; I feel privileged to have watched them work.

Indiana Senator Richard Lugar is another giant who is leaving politics this year, a victim of a Tea Party challenge. He gets a lifetime achievement Teddy for his work on controlling nuclear arms and because he voted for the U.N. treaty mentioned above.

Senator Joe Lieberman, who is also leaving the Senate this year, gets a Teddy for disassociating himself from the squalid campaign that his two amigos Senators John McCain and Lindsey Graham conducted against U.N. Ambassador Susan Rice—and their more general effort to transform the tragedy that took place at our Benghazi consulate on Sept. 11 into a scandal. McCain and Graham have won Teddys in the past; they rate Hardings this year.

**Ambassador Chris Stevens,** who died in the Benghazi assault, deserves to be recog-

nized because he represented the best in American diplomacy, a man who insisted on being out with the people in dangerous places, learning from them and demonstrating, by his grace and courage, what America is all about. His Teddy also honors those diplomats who serve, and sometimes sacrifice, in difficult posts around the world—especially those who run provincial reconstruction teams in war zones. I should also mention their boss, Hillary Clinton, who has represented us brilliantly and relentlessly during the past four years, a Secretary of State who made herself more accessible overseas than any of her predecessors, conducting endless town meetings. Clinton helped negotiate the Gaza cease-fire this year, but her unique combination of intelligence, toughness and often startling humanity has always been a wonderful advertisement for the U.S.

## New Jersey Governor Chris

Christie got a lot of the headlines when Hurricane Sandy struck, but the Teddy goes to his neighbor, New York Governor Andrew Cuomo, who has provided real leadership under pressure—not just after the storm but also in taking on his fellow Democrats in Albany, who are among the most troglodytic and reactionary hacks festering in any state legislature in the country.

Finally, President Barack Obama did not run an inspiring campaign this year. But he has been a consistent force for sanity in Washington, and now, after the Newtown massacre, he needs to bind our wounds and lead more effectively. Good luck, Mr. President. To the victor belongs the Teddy.





**"WE ARE NOT  
GOING TO VETO  
THE DREAM ACT**

**WE HAD THE  
CHOICE TO DO THAT  
AND WE SAID NO."**

*-Rachel Maddow*



**LEAN FORWARD**



**msnbc**

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# PERSON OF THE YEAR

THE CHOICE BY RICK STENGEL

In 1782 an expatriate French aristocrat named J. Hector St. John de Crèvecoeur who lived in New York's Hudson Valley published a book in London called *Letters from an American Farmer*. The third letter was titled "What Is an American?" That question reverberated in the late 18th century as the Old World tried to make sense of the New. It's still relevant 230 years later, in part because Americans are changing even as America itself remains much the same. ▶ Crèvecoeur wondered, "What then is the American, this new man?" He was a citizen by choice, not birth—he had decided to come here. Such a thing had never existed before. In many ways, Barack Obama is the 21st century version of this new American. But he's more than just a political figure; he's a cultural one. He is the first President to embrace gay marriage and to offer work permits to many young undocumented immigrants. There has been much talk of the coalition of the ascendant— young people, minorities, Hispanics, college-educated women—and in winning re-election, Obama showed that these fast-growing groups are not only the future but also the present. About 40% of millennials—the largest generational cohort in U.S. history, bigger even than the baby boomers—are nonwhite. If his win in 2008 was extraordinary, then 2012 is confirmation that demographic change is here to stay. ▶ Obama is the first Democratic President since FDR to win more than 50% of the vote in consecutive elections and the first President since 1940 to win re-election with an unemployment rate north of 7.5%. He has stitched together a winning coalition and perhaps a governing one as well. His presidency spells the end of the Reagan realignment that had defined American politics for 30 years. We are in the midst of historic cultural and demographic changes, and Obama is both the symbol and in some ways the architect of this new America. "The truth is," the President said in the Oval Office, "that we have steadily become a more diverse and tolerant country that embraces people's differences and respects people who are not like us. That's a profoundly good thing. That's one of the strengths of America." ▶ All elections are about change, and 2012's was as well. Pretty much everyone voted for change of some kind: 49% of voters wanted to change the President, while 51% of voters wanted the change that Obama promised four years earlier. The pollster Frank Luntz told me that 40% of America is ecstatic, 20% is accepting and 40% thinks the country is going to hell. "The only other time we've seen this was FDR in 1936," he said. "Those who are alienated believe the President and his policies are not grounded in American values." ▶ But whose America is that? Is there a battle between the old America and the new? Obama would say no. He sees his time in office as a kind of convergence of past and future. "I think about this eight-year project," he says, as one in which "we've also accommodated all the demographic changes and cultural and technological changes that are taking place and been able to marry those with some of the old-fashioned virtues of hard work and discipline and responsibility—all in a way that allows us to succeed and to thrive." That's the new America. And it's finding its voice: the President we heard at the wrenching memorial service in Connecticut was more assertive, more personal, more willing to risk his political capital for what he truly believes. ▶ At the end of *Invisible Man*, Ralph Ellison's great 1952 novel about racial injustice, the central character says, "America is woven of many strands; I would recognize them and let it so remain.... Our fate is to become one, and yet many—This is not prophecy, but description." Just 12 years ago, Obama was so invisible that he attended the 2000 Democratic National Convention in L.A. and watched it on the Jumbotron in the Staples Center parking lot. Today he is universally visible—and known. But he would agree with Ellison's observation that this change is indeed description and not prophecy. The new America is not so much the old *e pluribus unum*—out of many, one—but as Ellison says, one and yet many. That is Obama's America. For finding and forging a new majority, for turning weakness into opportunity and for seeking, amid great adversity, to create a more perfect union, Barack Obama is TIME's 2012 Person of the Year.



2012  
PERSON OF  
THE YEAR

THE PRESIDENT

# BARACK OBAMA

THE CAMPAIGN WASN'T PRETTY, AND THE ECONOMY  
WORSE. BUT HE REASSERTED HIMSELF AS A POTENT  
ARCHITECT FOR A CHANGING AMERICA

BY MICHAEL SCHERER

PHOTOGRAPH BY  
NADAV KANDER  
FOR TIME





**T**wenty-seven years after driving from New York City to Chicago in a \$2,000 Honda Civic for a job that probably wouldn't amount to much, Barack Obama, in better shape but with grayer hair, stood in the presidential suite on the top floor of the Fairmont Millennium Park hotel as flat screens announced his re-election as President of the United States. The networks called Ohio earlier than predicted, so his aides had to hightail it down the hall to join his family and friends. They encountered a room of high fives and fist pumps, hugs and relief.

► Obama's re-election is a historic moment for the United States, as it marks the first time a Black man has been elected president.



## BETTER THE SECOND TIME

The President delivered the inaugural ceremony, a historic event that took place on the steps of the Lincoln Memorial in Washington, D.C., on January 20, 2009. The ceremony was a landmark moment in American history, as it marked the first time a black man had been elected president of the United States. Obama's victory was a triumph for the American people, and it was a testament to the power of the American dream.

PHOTOGRAPH BY  
CAROL WHELAN  
FOR TIME



The final days of any campaign can alter the psyches of even the most experienced political pros. At some point, there is nothing to do but wait. Members of Obama's team responded in the only rational way available to them—by acting irrationally. They turned neckties into magic charms and facial hair into a talisman and compulsively repeated past behaviors so as not to jinx what seemed to be working. In Boca Raton, Fla., before the last debate, they dispatched advance staff to find a greasy-spoon diner because they had eaten at a similar joint before the second debate, on New York's Long Island. They sent senior strategist David Axelrod a photograph of the tie he had to find to wear on election night: the same one he wore in 2008. Several staffers on Air Force One stopped shaving, like big-league hitters in the playoffs. Even the President succumbed, playing basketball on Election Day at the same court he played on before winning in 2008.

But now it was done, and reason had returned. Ever since the campaign computers started raising the odds of victory from near even to something like surefire, Obama had been thinking a lot about what it meant to win without the lightning-in-a-bottle quality of that first national campaign. The Obama effect was not ephemeral anymore, no longer reducible to what had once been mocked as "that hopey-changey stuff." It could be measured—in wars stopped and started; industries saved, restructured or reregulated; tax cuts extended; debt levels inflated; terrorists killed; the health-insurance system reimaged; and gay service members who could walk in uniform with their partners. It could be seen in the new faces who waited hours to vote and in the new ways campaigns are run. America debated and decided this year: history would not record Obama's presidency as a fluke.

So after his staff arrived, he left his family in the main room of the suite and stepped out to talk with his three top advisers, Axelrod, political strategist David Plouffe and Jim Messina, his campaign manager. He wanted to tell them what this victory meant, because it was very different the second time. "This one's more satisfying than '08," he said. "It wasn't just about what I was going to do as President. It's what I've done." In the end, the outcome would not even be very close, and this realization was sinking in, unleashing something, dropping a shield he had been carrying for a long time. Over three days in November, the man known for his preternatural cool won re-election and cried twice in public. And then, trying to find meaning in a tragedy in Connecticut, he did it again, all but breaking down in the White House Briefing Room.

IN MID-DECEMBER, AS OBAMA SETTLES INTO ONE OF THE Oval Office's reupholstered chairs—brown leather instead of Bush's blue and gold candy stripes—the validation of Election Day still hovers around him, suggesting that his second four years in office may turn out to be quite different from his first. Beyond the Oval

Office, overwhelming challenges remain: deadlocked fiscal-cliff talks; a Federal Reserve that predicts years of high unemployment; and more unrest in places like Athens, Cairo and Damascus. But the President seems unbound and gives inklings of an ambition he has kept in check ever since he arrived at the White House to find a nation in crisis. He leans back, tea at his side, legs crossed, to explain what he thinks just happened. "It was easy to think that maybe 2008 was the anomaly," he says. "And I think 2012 was an indication that, no, this is not an anomaly. We've gone through a very difficult time. The American people have rightly been frustrated at the pace of change, and the economy is still struggling, and this President we elected is imperfect. And yet despite all that, this is who we want to be." He smiles. "That's a good thing."

Two years ago, Republicans liked to say that the only hard thing Obama ever did right was beating Hillary Clinton in the primary, and in electoral terms, there was some truth to that. In 2012 the GOP hoped to cast him as an inspiring guy who was not up to the job. But now we know the difference between the wish and the thing, the hype and the man in the office. He stands somewhat shorter, having won 4 million fewer votes and two fewer states than in 2008. But his 5 million-vote margin of victory out of 129 million ballots cast shocked experts in both parties, and it probably would have been higher had so much of New York and New Jersey not stayed home after Hurricane Sandy. He won many of the toughest battlegrounds walking away: Virginia by 4 points, Colorado by 5 and the lily white states of Iowa and New Hampshire by 6. He untied Ohio's knotty heartland politics, picked the Republican lock on Florida Cubans and won Paul Ryan's hometown of Janesville, Wis. (Those last two data points especially caught the President's interest.) He will take the oath on Jan. 20 as the first Democrat in more than 75 years to get a majority of the popular vote twice. Only five other Presidents have done that in all of U.S. history.

There are many reasons for this, but the biggest by far are the nation's changing demographics and Obama's unique ability to capitalize on them. When his name is on the ballot, the next America—a younger, more diverse America—turns out at the polls. In 2008, blacks voted at the same rate as whites for the first time in history, and Latinos broke turnout records. The early numbers suggest that both groups did it again in 2012, even in nonbattleground states, where the Obama forces were far less organized. When minorities vote, that means young people do too, because the next America is far more diverse than the last. And when all that happens, Obama wins. He got 71% of Latinos, 93% of blacks, 73% of Asians and 60% of those under 30.

That last number is the one Obama revels in most. When he talks about the campaign, he likes to think about the generational shift the country is going through on topics like gay marriage—an issue on



#### VIDEO POWER LAUGHS INTO VOTES

A sex-themed pro-Obama video from *Girls* creator Lena Dunham made more headlines, but comic Will Ferrell's goofball promises to do anything—give free tattoos, eat underpants, punch himself in the face—to get viewers to vote got twice as many clicks (nearly 5 million).



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## NO CUP OF TEA

Obama didn't expect to win the 2012 election. The campaign, however, raised a lot of questions about the future of the world's most populous nations. In the face of rapid economic growth and continued turmoil in Cairo and Damascus, the President's administration has a lot of issues to address, including new efforts to address global warming and criminal-justice reform.

PHOTOGRAPH BY  
CALLIE SHREVE  
FOR TIME





which he lagged, only to reverse himself last spring. He connects it to the optimism he felt as a young man, the same thing he always talks about with staff in the limo or on the plane after visits with campaign volunteers. "The arc of the moral universe is long, but it bends toward justice," reads one of the quotes stitched into his new Oval Office rug—an old abolitionist cry that Martin Luther King Jr. repurposed while marching on Selma, Ala. Obama believes in that, and he believes he is more than just a bit player in the transition. "I do think that my eight years as President, reflecting those values and giving voice to those values, help to validate or solidify that transformation," he says, "and I think that's a good thing for the country."

Few experts predicted two years ago that Obama would be busy writing his second Inaugural Address. Pre-election polling showed depressed enthusiasm among young people and Latinos, for example, amid soaring interest among white evangelicals and the elderly. But the poll questions did not account for Obama's secret weapon: the people who don't much care for politics. A sizable chunk of the President's most ardent backers don't admire either party yet think Obama is somehow above it all, immune to all the horse trading and favor mongering that politics entails. These voters aren't political in the cable-TV sense of the word. But in 2012, they stuck by Obama. In the last month of the Obama campaign's voter registration, 70% of those signed up were women, minorities or people under 30.

The President feels a responsibility to advance the values he sees reflected in the changing electorate. Of the nearly 66 million people who pulled the lever for him, Obama says, "The choice that they made was less about me and more about them, more about who they saw themselves to be." It's a lovely sentiment for a winner, but even if Obama's right, the question now is, Who exactly do they want to be? And can Barack Obama take them there?

The election that Obama won, as he has said repeatedly, is in the end a choice, not a referendum. He proved to be a better option than Mitt Romney, who was an imperfect candidate by most measures. On the issues, Obama did not fare quite as well. While 51% of voters in exit polls in 2012 said they wanted the government to do more, only 43% said so in 2012, and Obamacare still polls badly.

But Obama doesn't see his legacy in terms of an ideological imprint, like Ronald Reagan's claim that "government is the problem" or Bill Clinton's admonition that the "era of Big Government is over." He says he just wants smarter government and a set of results that he can claim as he leaves office in early 2017: "That we had steered this ship of state so that we once again had an economy that worked for everybody, that we had laid the foundation for broad-based prosperity and that internationally we had created the framework for continued American leadership in the world

throughout the 21st century." Recent history and current headlines suggest he will fall short of achieving all those goals. But if he succeeds, it wouldn't be the first time this leader beat expectations.

S

SINCE THE MOMENT OBAMA ARRIVED on the national scene in 2004, the very idea of leadership has been under assault. Many of the old institutions that once anchored the American Dream have been bled of public confidence. Banks, Big Business, the news media and

Congress all polled at or near record lows during his first term. Obama himself was the target of uncommon vitriol, but he has somehow managed to keep the public's faith.

To understand how he kept his job, the best place to start is where he did. In early 2011, David Simas, a former registrar of deeds in Taunton, Mass., who had become a senior White House aide, switched on what might be called one of the largest listening posts in U.S. history. For months on end, two or three nights a week, Simas and his team secretly gathered voters in rented rooms across the swing states, eight at a time, the men separated from the women. The Obamas poked at their guinea pigs' animal spirits, asked for confessions and played word-association games. (Among swing voters, *Democrat* often elicited *Barack Obama*, and *Republican* would yield words like *old* and *backward*.) Live feeds of the focus groups were shown on computer screens at campaign headquarters in Chicago. The first discovery Simas made held the keys to the kingdom. "Here is the best thing," he said of Obama when he went back to home base. "People trust him."

In an age of lost authority, Obama had managed to maintain his. In group after group, the voters told the researchers they believed the President was honest, lived an admirable personal life and was trying to do the right thing. "Here's what I heard for 18 months," Simas says. "I trust his values. I think he walked into the worst situation of any President in 50 years. And you know what? I am disappointed that things haven't turned around." But there was always that feeling of "I am willing to give this guy a second shot."

In different rooms, behind different one-way mirrors, Republicans made the same discovery. "There was almost nothing that would stick to this guy, because they just liked him personally," Katie Packer Gage, Romney's deputy campaign manager, said after the election. Most of those who had voted for Obama in 2008 were still proud of that vote and did not see the President as partisan or ideological. When Republicans channeled their party's many furies, attacking Obama as an extremist, it backfired among swing-state voters. "The kind of traditional negative campaign that the Obama campaign did was not available to our side," explained Steven Law, who



SOCIAL MEDIA

## ASK HIM ANYTHING

When Obama popped up on Reddit.com for a surprise "Ask Me Anything" session on Aug. 29, many users of the social news site thought it was a prank. Fielding questions on topics ranging from the space program to the White House's beer recipe, Obama drew a record 4 million readers—crashing the site.



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## THE WHITE HOUSE STAFF

1. JAY CARNEY, the spokesman, handled the White House press 2. DAVID PLOUFFE, the political strategist, steered the campaign's White House outpost 3. ALYSSA MASTROMONACO, the deputy chief of staff, kept the President focused 4. PETE ROUSE, the senior adviser, was the go-to troubleshooter 5. VALERIE JARRETT, Obama's closest adviser, was his sounding board 6. DAN PFEIFFER, the communications director, decided how to deliver the message

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## THE CAMPAIGN TEAM

1. **DAVID SIMAS** and Obama's spinroom research team, including focus groups. 2. **STEPHANIE CUTTER** managed the daily effort to rebutt Obama and demand Romney. 3. **DAVID AXELROD**, co-author of the Obama campaign story, oversaw the entire strategy team's lineup.



4. **JIM MESSINA**, the campaign manager, designed, built and ran the whole campaign from scratch 5. **JIM MARGOLIS**, the TV adman, relentlessly bombarded swing-state airwaves for months 6. **JEREMY BIRD**, the grassroots organizer, created a smarter, larger Obama army than in 2008



#### FUNDRAISING GONG SHOW

Most of Obama's billion-dollar-plus fundraising haul came online, often via appeals like a single Oct. 17 e-mail pitch that raised \$4.3 million. The campaign marked \$10 million fundraising days by ringing a gong, which the President himself struck on a postelection visit.

oversaw more than \$100 million in anti-Obama advertising for American Crossroads and Crossroads GPS.

So even before the first ad ran, Obama had an edge and a way of framing the race. While Romney tried to focus on Obama's weak economic record, Obama made his race about confidence. The most important poll question in Chicago was, Which candidate is looking out for voters like you? "What we saw these undecided voters doing for literally a year," Simas says, "looking at two very different people outside fundamental message, tactics and strategy, is, they were making a very trust-based assessment between Obama and Romney."

This became the through line of the brutal and at times unfair Obama attacks on Romney—the cracks about car elevators, the specious mention of his potentially felonious Securities and Exchange Commission filings, the false claim that he supported an abortion ban without a rape exception, the endless harping on a Swiss bank account once held in his wife's name. It all spoke to a central message built around trust: One man, despite his failures, had voters like you in mind. The other man, by contrast, knew how to make a lot of money for people you will never meet.

Of course, Romney turned out to be Obama's biggest ally in that narrative. But back at campaign headquarters, Simas slapped a poster on his office wall that told an even bigger story. It had three lines: two showing the rise of per capita GDP and productivity in the U.S. since 1992 and one flat line showing household income. He opened all his presentations with the same chart. "Above it was just a phrase from a focus group—'I'm working harder and falling behind,'" Simas says. "That was the North Star. Everything we did and everything we said was derivative of that sentiment." The words of the faceless focus-group participant passed from the rented room to the computer screens in Chicago and eventually right into the President's stump speech. "As long as there are families who are working harder and harder but falling further behind," Obama told crowds, "our work is not yet done."

# M

a campaign that redefined the limits of viral politics, the second set of tears became a YouTube sensation, seen some 9 million times in the weeks after the election, more than any other campaign video of the cycle.

You can see him walk to a microphone, looking easy and confident, chewing his gum. He starts telling the story of his first years as a community organizer on Chicago's South Side, when he was 25 and trying to find his

way, with little success. "It's not that you guys actually remind me of myself," he says to the young staff before him. "It's the fact that you are so much better than I was in so many ways. You're smarter, and you're better organized, and you're more effective... Even before last night's results, I felt that the work that I had done in running for office had come full circle," he continues, "because what you guys have done means the work that I am doing is important. I'm really proud of that. I'm really proud of all of you." Then he breaks down. Tears well and drop.

Obama didn't have to do much to build this machine the second time around. The same obsessive staff, who had never really left his circle, returned with the same set of techniques, a mixture of old-school community organizing and high-tech social networking: one on one conversations with supporters, repeat telephone calls, staffers focused only on organizing volunteers, registration drives where no presidential campaign had tried registration before. But Obama was also obsessed. On a tour through Iowa in September, his state director, Brad Anderson, told him that the campaign had arranged for an early-vote location at a Latino grocery store. "The President loved that," says Plouffe, who traveled with him. "The Latino community in Iowa is relatively small, but we were trying to harvest every vote possible." The President even got to play shop foreman at times, as if he were back in the projects overseeing voter-registration teams. A couple of days before the election, he confronted a salaried staffer at a staging office in Ohio who asked the President for a photo. "You're a field organizer," Obama replied reproachfully, citing the well-known rule that staff's first job is to organize others. "You gotta be looking out for your volunteers."

In its second incarnation, the Obama campaign began to blur and then obliterate the line between politics and daily life for millions of Americans. The President held off the record calls with FM disc jockeys in black and Hispanic communities. Aides signed up Latinos at amateur soccer leagues, circulated clipboards in bars and nightclubs and canvassed blockbuster-movie-premiere lines for new voters. "In Chapel Hill for a wedding," White House aide Tommy Vietor e-mailed Plouffe in mid-September from North Carolina. "Multiple people with Obama clipboards have tried to register me to vote in the 5 hours I've been here." Later that night, Vietor read the specials scribbled on a chalkboard at a bar. The Obama was a shot of Jack Daniel's and a Pabst Blue Ribbon for \$7. The Romney was a shot of Johnnie Walker Gold and a bottle of 1995 Altamura cabernet for \$870. The message was breaking through.

And so were the new methods devised by a geek squad convened from multinational ad agencies, corporate consultancies and high-tech start-ups. The goals were the same as ever: more money in the bank, more door knocks, more phone calls, more voter registrations and more voters at the polls. But the methods for



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## THE GEEK SQUAD

1. **HARPER REED**, the chief technology officer, tweeted "My boss is awesome" after Obama won. 2. **DAN WAGNER**, the chief analytics officer, oversaw a team of number crunchers five times the size of the 2008 group. 3. **DYLAN RICHARD** engineered much of the software behind the campaign.



4. **ANDREW CLASTER** used analytics to develop new ways of targeting and predicting voter behavior. 5. **MICHAEL SLABY**, a veteran of the 2008 effort, hired the tech and data teams and kept them on track. 6. **CHRIS WEGRYZN** built the infrastructure and software behind the massive data operation.



7

8

9

7. **DANIELA DIAMANT**, digital director, ran social-media, online and mobile outreach. 8. **JOE ROSPARS**, the architect of online fundraising for Hurricane Sandy relief, oversaw digital efforts. 9. **MANIE EWALD** focused on e-mail fundraising, helping raise \$690 million for the Red Cross.

## Let's not stop at nine.

American students rank 25th in the world in math and 17th in science. But there is reason for hope. High schools in nine states are taking part in the National Math and Science Initiative's Advanced Placement<sup>®</sup> program. In the past four years, participating schools increased the number of qualifying test scores in math and science by 160%. Imagine the impact if all 50 states join the program. Let's support math and science education. Let's solve this.

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## THE HUG SEEN ROUND THE WORLD

This show of affection, tweeted on election night with the caption "Four more years," became the most retweeted photo ever on Twitter (more than 800,000 RTs) and the most Liked Facebook post in history (more than 4.4 million, plus 215,600 comments)

achieving those ends in 2012 bordered on the revolutionary. A squad of dozens of data crunchers created algorithms for predicting the likelihood that someone would respond to specific types of requests to accomplish each of those goals. Vast quantities of information were collected and then employed to predict just which television shows various target voters in certain cities were watching at just what time of day—the better to decide where to place TV ads. Facebook, which was an afterthought in 2008, became the new electronic telephone call, employed to persuade more than 600,000 Obama supporters to reach out to 5 million swing-state friends online with targeted messages in the days before the election. One woman in central Ohio who was living with her young voting-age daughter reported that her house got four different visits on the morning of Election Day, each from a different neighbor making sure both women had remembered to vote.

The geek squad also found new ways to make voters turn out their pockets. They refined meet-the-candidate lotteries into an art form, invented a system for texting dollars from a mobile phone that required entering only a single number and experimented with the language of e-mail pitches until they stung. Of his \$1 billion campaign-cash haul, Obama was able to raise \$690 million online in 2012, up from about \$500 million in 2008. More than \$200 million of that came in donations of \$200 or less, a 10% increase over the history-making frenzy of 2008. In a campaign that big super-PAC money was supposed to dominate, Obama's operation proved that many small efforts were more powerful than a few big ones. No one in either party thinks campaign finance will ever be the same.

How much of this survives for future Democrats when Obama exits the stage? Obama's advisers are quick to say it won't be around for others to tap. Too much of the Obama coalition, they say, is about Obama himself. It might reject anyone who tries to take up his mantle in a few years. "This organization is not transferable," says a senior campaign adviser. "The next nominee on either side is going to have to build their own coalition." But the Obama effort is going to try to live on. Bob Bauer, the campaign's attorney, has been working on a plan for a new organization—likely to be incorporated as a nonprofit beyond the reach of the Democratic National Committee—that will be announced in the coming weeks. The idea is to create an outlet for Obama's supporters, more than 80,000 of whom said after the election that they were willing to run for public office. A similar effort stumbled in 2009, when Obama reined in his grassroots supporters to avoid ruffling feathers in Congress. But the one thing Obama has learned in his first term is that he won't be able to accomplish much in the second without an active outside game.

THE FIFTH YEAR OF ANY PRESIDENCY IS ALWAYS A sweet spot, a golden hour between re-election and lame-duck status, when a President has a chance to think

more about history than about the tracking polls. And so the President must now decide how high to reach and what to accomplish while he still can. "I'm more than familiar with all the literature about presidential overreach in second terms," Obama said at his first press conference after the election. "On the other hand, I didn't get re-elected just to bask in re-election."

He began to navigate the issues in the days after the election by scribbling his hopes on a yellow legal pad. Obama has always thought best by writing, and for that reason he struggled to keep a diary during his first term, a task at which he hopes to redouble his efforts over the coming years. "In my life, writing has been an important exercise to clarify what I believe, what I see, what I care about, what my deepest values are," he says. "The process of converting a jumble of thoughts into coherent sentences makes you ask tougher questions."

But the yellow pad he began to fill after the election was not for himself or his next memoir. Instead, he wanted to work out what he should try to get done in the next four years, beyond his inbox and legislative to-do list for the next nine months. The immediate goals are clear: a major push on immigration reform and a way to lower the medium-term deficit through a combination of raising tax rates, reforming the tax code and finding some temporary truce between the parties on entitlements. He gathered his staffers for a "40,000-foot" view of what was possible.

They soon discovered that the yellow pad included some things spoken of only rarely during the campaign: dealing with the problem of climate change, for instance, emerged as a major thread, despite all the money the campaign had spent in southeastern Ohio praising Obama's commitment to coal. He spoke of increasing opportunities for early-childhood education and finding new ways to lessen the burden of college costs. The long lines that forced millions to wait for hours to vote led him to talk about a broad sweep of potential electoral reforms, which would likely include a popular push on campaign-finance reform and new legislation to force states to improve ballot access. He also said he wanted to look at the criminal-justice system. "There's a big chunk of that prison population, a great huge chunk of our criminal-justice system, that is involved in nonviolent crimes," he tells TIME. "I think we have to figure out what are we doing right to make sure that that downward trend in violence continues, but also, there are millions of lives out there that are being destroyed or distorted because we haven't fully thought through our process."

Prison reform won't become a top priority of his Administration, but his interest in it signals his determination to expand the boundaries of what a second-term presidency might be. When two states, Washington and Colorado, legalized marijuana for adults in November, Obama decided that federal law-enforcement resources should not be deployed to bust individuals who are complying with state law. "When it comes to drug



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**DERRICK COOK**

48, star canvasser

Cook nicknamed the Mayor of Cuyahoga Avenue canvassed the area north of I-90 and south of the Norfolk Southern freight line.

**KATHERINE KRAIZ**

52, GOTV Blue Team captain

The 15th Ward's team totaled about 200,000 votes. Kraiz helped direct the canvassers (the Blue Team) for the get-out-the-vote (GOTV) effort.

**ANGEL RIOS**

25, star teenage canvasser

The native Spanish speaker known for his energy and spirit canvassed with Spencer (bottom left). Canvassers always deployed in pairs.

**BETTE MEYER**

70, center captain and

GOTV White Team captain. As White Team captain, Meyer organized food and logistics for all team events.

**JENNY SPENCER**

24, co-neighborhood team leader

Spencer and her co-leader Fran DiDonato directed all Ward 15 voter registrations, canvasses, one-on-one meetings and phone-bank efforts.

**JOHN FAIRWEATHER**

60, phone-bank captain

A retired United Church of Christ pastor, Fairweather first campaigned for John F. Kennedy. He and his team used phone scripts to keep callers on message.

## WHY CLEVELAND ROCKED

OBAMA'S NEIGHBORHOOD CAMPAIGNS, LIKE THIS ONE IN OHIO'S CUYAHOGA COUNTY, WON HIM A SECOND TERM

**ROBERT SOMMERFELT***37, data captain*

Sommerfelt and his wife Michele (below left) joined the data-planning crew every day at work and photoed all

**BRUCE BUCHANAN***42, census captain*

A married Wisconsiner with his partner in the '90s, Buchanan had OBAMA printed out the back of his black Ford Ranger pickup

**BOBBI REICHTELL***35, census captain and*

GA TV's *Real Housewives*. A neighborhood team leader in 2008, Reichtell lent her expertise to the canvassing effort

**JENNIFER GILBERT***29, 5th census*

A mother of two and fourth-generation Jew, Gilbert supports Obama at all times. Gilbert supports Obama at all times. Gilbert supports Obama at all times. Gilbert supports Obama at all times.

**MICHELE SOMMERFELT***37, data captain*

The Sommerfelt home, pictured here, became a frequent meeting location and data collection center for the team

**COLIN REMAL***25, 10th census*

The electrician's sister-in-law, Remal kept the team's election line with the Obama campaign's direction

**JEFF RAMSEY***34, census captain and*

GA TV's *Real Housewives*. The director of a neighborhood-level priority campaign, Ramsey helped train and recruit canvassers

**MARGIE COLON***35, 8th census and*

*Columbus, Georgia*. Colon, whose Puerto Rican, Jewish and Italian parents have stayed with her in a CPSN, is the

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enforcement, big-time drug dealers, folks who are preying on our kids, those who are engaging in violence—that has to be our focus,” he said.

In the wake of the killings at a Newtown, Conn., elementary school, Obama asked if the country and its President had done enough in his first term to deal with mass shootings. “I’ve been reflecting on this the last few days, and if we’re honest with ourselves, the answer’s no, we’re not doing enough,” he said before promising to “use whatever power this office holds to engage my fellow citizens, from law enforcement to mental-health professionals to parents and educators, in an effort aimed at preventing more tragedies like this.” He had made similar vows before, after other shootings. But this one affected him more. Never had he cast the issue so starkly as a question of moral and political courage. Never before had he so clearly reproached himself for failing to take action.

White House aides draw a distinction between what is possible legislatively and what they can do rhetorically and through public education. It’s not just what Obama gets passed, they muse; it’s the legacy he leaves for the next occupant of the Oval Office. “You recognize you’re not going to arrive with—you’ll never arrive at that promised land, and whatever seeds you plant now may bear fruit many years later,” Obama says. Only time will tell just how he fulfills that vision.

Which is O.K. with the President. In mid-November,

White House aides arranged a postelection screening of the new Steven Spielberg movie *Lincoln*, inviting the director and much of the cast, including actors Daniel Day-Lewis, who plays the 16th President, and Sally Field, who plays his wife. Obama called the experience of watching the horse trading, corruption and compromise that allowed the passage of the 13th Amendment, which banned slavery, “incredibly powerful.” For Axelrod, who attended the screening and who fought alongside the President through the disappointments and triumphs of the first few years, the story echoed the bruising and at times chaotic battle for health care reform, something he mentioned to his boss.

“Part of what Lincoln teaches us is that to pursue the highest ideals and a deeply moral cause requires you also engage and get your hands dirty. And there are trade-offs, and there are compromises,” Obama says of his favorite President. “Anything we do is going to be somewhat imperfect.”

Obama says he long ago decided that he should not compare himself to Lincoln. But he nonetheless begins his second term with a better sense of what is possible in his job as well as what is not, something Lincoln struggled with as well. “You do understand that as President of the United States, the amount of power you have is overstated in some ways,” Obama says. “But what you do have the capacity to do is to set a direction.” He has earned the right to set that direction and has learned from experience how to move the country. After four of the most challenging years in the nation’s history, his chance to leave office as a great President who was able to face crises and build a new majority coalition remains within reach. ■

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Read the Medication Guide that comes with Intermezzo® before you start taking it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking to your doctor about your medical condition or treatment.

### What is the most important information I should know about Intermezzo?

Follow the Instructions for Use at the end of this Medication Guide when you take Intermezzo. If you do not follow the Instructions for Use, you might be drowsy in the morning without knowing it.

- Only take one tablet a night, if needed.
- Only take Intermezzo if you have at least 4 hours of bedtime left.

### Intermezzo may cause serious side effects, including:

- After taking Intermezzo, you may get up out of bed while not being fully awake and do an activity that you do not know you are doing. The next morning, you may not remember that you did anything during the night. You have a higher chance for doing these activities if you drank alcohol that day or take other medicines that make you sleepy with Intermezzo. Reported activities include:
  - driving a car ("sleep-driving")
  - making and eating food
  - talking on the phone
  - having sex
  - sleep-walking

Call your healthcare provider right away if you find out that you have done any of the above activities after taking Intermezzo.

### Important:

#### 1. Take Intermezzo exactly as prescribed

#### 2. Do not take Intermezzo if you:

- drank alcohol that day or before bed.
- took another medicine to help you sleep.
- do not have at least 4 hours of bedtime remaining.

### What is Intermezzo?

Intermezzo is a sedative-hypnotic (sleep) medicine. Intermezzo is used in adults for the treatment of a sleep problem called insomnia. Many people have difficulty returning to sleep after awakening in the middle of the night. Intermezzo is designed to specifically treat this problem.

It is not known if Intermezzo is safe and effective in children. Intermezzo is a federally controlled substance (CIV) because it can be abused or lead to dependence. Keep Intermezzo in a safe place to prevent misuse and abuse. Selling or giving away Intermezzo may harm others, and is against the law. Tell your doctor if you have ever abused or have been dependent on alcohol, prescription medicines, or street drugs.

### Who should not take Intermezzo?

- Do not take Intermezzo if you are allergic to zolpidem or any other ingredients in Intermezzo. See the end of this Medication Guide for a complete list of ingredients in Intermezzo.
- Do not take Intermezzo if you have had an allergic reaction

to drugs containing zolpidem, such as Ambien, Ambien CR, Edluar, or Zolpimist.

Symptoms of a serious allergic reaction to Intermezzo can include:

- swelling of your face, lips, and throat that may cause difficulty breathing or swallowing
- nausea and vomiting

Intermezzo may not be right for you. Before starting Intermezzo, tell your doctor about all of your health conditions, including if you:

- have a history of depression, mental illness, or suicidal thoughts
- have a history of drug or alcohol abuse or addiction
- have kidney or liver disease
- have a lung disease or breathing problems
- are pregnant, planning to become pregnant, or breastfeeding

Tell your doctor about all of the medicines you take, including prescription and nonprescription medicines, vitamins, and herbal supplements. Medicines can interact with each other, sometimes causing serious side effects. Your doctor will tell you if you can take Intermezzo with your other medicines.

Know the medicines you take. Keep a list of your medicines with you to show your doctor and pharmacist each time you get a new medicine.

### How should I take Intermezzo?

- See "What is the most important information I should know about Intermezzo"
- Read the "Instructions for Use" at the end of this Medication Guide for detailed instructions on how to take Intermezzo.
- Take Intermezzo exactly as prescribed. Only take one Intermezzo tablet per night if needed.
- Do not take Intermezzo if you drank alcohol that evening or before bed.
- While in bed, place the tablet under your tongue and allow it to break apart completely. Do not swallow it whole.
- You should not take Intermezzo with or right after a meal. Intermezzo may help you fall asleep faster when you take it on an empty stomach.
- Call your health care provider if your insomnia worsens or is not better within 7 to 10 days. This may mean that there is another condition causing your sleep problem.
- If you take too much Intermezzo or overdose get emergency treatment.

### What are the possible side effects of Intermezzo?

Intermezzo may cause serious side effects, including:

- getting out of bed while not being fully awake and doing an activity that you do not know you are doing. (See "What is the most important information I should know about Intermezzo?")
- abnormal thoughts and behavior. Symptoms include more outgoing or aggressive behavior than normal, confusion, agitation, hallucinations, worsening of depression, and suicidal thoughts or actions.
- memory loss
- anxiety
- severe allergic reactions. Symptoms include swelling of

the tongue or throat, trouble breathing, and nausea and vomiting. Get emergency medical help if you get these symptoms after taking Intermezzo.

**Call your health care provider right away if you have any of the above side effects or any other side effects that worry you while using Intermezzo.**

**The most common side effects of Intermezzo are:**

- Headache
- Nausea
- Fatigue

Even if you follow the Instructions for Use, you may still feel drowsy in the morning after taking Intermezzo. Do not drive or do other dangerous activities after taking Intermezzo until you are fully awake.

These are not all the side effects of Intermezzo. Ask your health care provider or pharmacist for more information.

You may report side effects to FDA at 1-800-FDA-1088.

**How should I store Intermezzo?**

- Store Intermezzo at room temperature, 68° to 77°F (20° to 25°C). Protect from moisture.
- Only open the pouch when you are ready to use Intermezzo.

**Keep Intermezzo and all medicines out of reach of children.**

**General Information about Intermezzo**

Medicines are sometimes prescribed for purposes other than those listed in a Medication Guide. Do not use Intermezzo for a

condition for which it was not prescribed. Do not give Intermezzo to other people, even if you think they have the same symptoms that you have. It may harm them and it is against the law.

This Medication Guide summarizes the most important information about Intermezzo. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about Intermezzo that is written for healthcare professionals. For more information about Intermezzo, call Purdue Pharma at 1-888-726-7535 or go to

[www.purduepharma.com](http://www.purduepharma.com) or [www.intermezzorx.com](http://www.intermezzorx.com).

**What are the ingredients in Intermezzo?**

**Active Ingredient:** Zolpidem tartrate

**Inactive Ingredients:** Each Intermezzo tablet includes the following inactive ingredients: mannitol, sorbitol, croscopolone, silicon dioxide, sodium carbonate, sodium bicarbonate, croscarmellose sodium, sodium stearyl fumarate, silicon dioxide, natural and artificial spearmint flavor, silicon dioxide-colloidal, and sucralose. The 1.75 mg tablet also contains yellow iron oxide, and the 3.5 mg tablet contains beige iron oxide.

**Rx only**

This Medication Guide has been approved by the U.S. Food and Drug Administration.

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December, 2011

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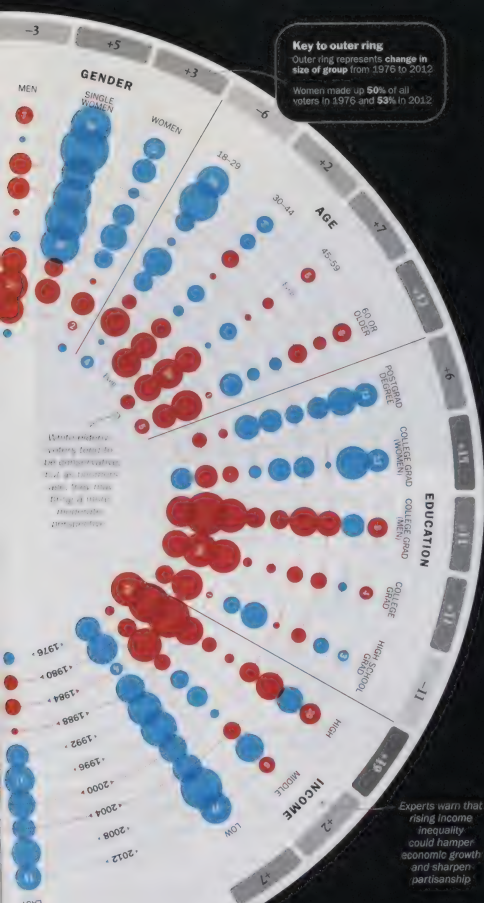
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White voters voting Democrat, but also voters who are more conservative, such as those who are more religious, more conservative, and more conservative.

Experts warn that rising income inequality could hamper economic growth and sharpen partisanship

### THE STRONGER SEX

Women are climbing the income ladder faster, piling into public office in greater numbers (now a record 30 in the Senate) and wielding more clout at the polls than before. Republicans' remarks about such issues as rape and contraception helped usher several Democrats into office—and reelect Obama, who won 67% of unmarried women.

### SINGLE, FEMALE ELIGIBLE VOTERS

45M  
2000  
55M  
2012

### THE KIDS ARE NOT ALL RIGHT

Millennials, a huge generational cohort, are voting in greater numbers and are likely to reshape policy on gay rights and other issues. They may also be the first generation to fare worse than their parents, who have saddled them with swelling debt and a bleak economy.

### SHARE OF VOTE, AGES 18-29

18%  
2008  
19%  
2012

### THE CATHOLIC DIVIDE

The trend among Catholics in the U.S. mirrors a worldwide shift within the Catholic Church, which is becoming more Latino and less European. That bodes well for Democrats, who won handily among Catholic Hispanics.

### HISPANIC SHARE OF ALL CATHOLICS

54%  
BORN AFTER 1983  
15%  
BORN BEFORE 1983

### HOW THE WEST WAS WON

The growth of diversifying Western suburbs helped boost Obama to victory in Nevada and Colorado and cemented his party's edge in New Mexico. Republicans have not won California, Oregon or Washington since 1988.

### GOP MARGIN OF VICTORY IN ARIZONA

+33 POINTS  
1980  
+10 POINTS  
2012

Notes: Exit-poll organizations have changed over the years. Demographic groups were established on the basis of mother household income data to current dollars for each year. Group-share changes do not always balance because of missing answers, particularly in age and income categories. Sources: Edison Media Research/Winfield International; National Election Pool; Voter News Service; CBS News/New York Times exit polls; U.S. Census Bureau; 1980 Participation Census; Congressional Budget Office.



# SETTING THE STAGE FOR A SECOND TERM

OBAMA SPEAKS ON DEC. 12 WITH TIME'S RICK STENGEL, RADHIKA JONES AND MICHAEL SCHERER ABOUT LINCOLN, MARIJUANA, THE MIDDLE EAST AND HAWAII MOMENTS

**If we were sitting here four years from now and you were looking back on your legacy as a two-term Democratic President, what would you want people to say about your two terms?**

I think about this eight-year project as one in which domestically on education, on energy, on tax policy, on manufacturing, on research and science, we've shaken off some ongoing problems that have hampered our growth, we have reasserted the idea that if you work hard in this

country, you can make it. And that we've also accommodated all the demographic changes, and cultural and technological changes that are taking place, and been able to marry those with some of the old-fashioned virtues of hard work and discipline and responsibility—all in a way that allows us to succeed and to thrive, and not just for a few at the top, but for the many.

**Comparing 2012 with 2008, exit polls show that numbers saying they think the**

**government should be doing more vs. the government is already doing too much dropped a bit. How do you interpret that?**

Well, I'm not arguing for government to do more; I'm arguing for government to do more of the right thing. So I haven't been arguing for greater government spending per se. I think it makes sense for us to spend less on wars and more on research and development. In sectors like energy, I haven't been arguing for more spending per se; I've

been arguing that it doesn't make sense for us to spend \$4 billion subsidizing an oil industry that's mature and very profitable. We should be using that money to finance clean energy of the future.

We've spent a lot of time over the last several years having every agency go back and look at what are the existing regulations on the books. And if the regulations don't work, let's get rid of them.

On the other hand, given the better science and knowledge that we have now, there may be some new regulations that do make sense. And, certainly, when it comes to the financial industry or the health care industry, I think we learned a lesson from 2007 and 2008 that a lack of smart regulation can be just as damaging as too much regulation.

**You gathered a group to see the film *Lincoln* here. I wondered how you felt watching that movie.**

Part of what Lincoln teaches us is that to pursue the

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highest ideals and a deeply moral cause requires you also engage and get your hands dirty. And there are trade-offs, and there are compromises. And what made him such a remarkable individual, as well as a remarkable President, was his capacity to balance the idea that there are some eternal truths with the fact that we live in the here and now, and the here and now is messy and difficult. And anything we do is going to be somewhat imperfect. And so what we try to do is just tack in the right direction.

**In your re-election, you created a new kind of governing coalition. How long will that last?**

I think some people thought that 2008 was an anomaly, that everybody was excited about the idea of the first African-American President but once that excitement ebbed that somehow we would revert back to the old voting models. And that didn't prove to be the case.

For all the divisions that you read about in our politics—and many of them are real and powerful—the truth is, is that we have steadily become a more diverse and tolerant country that embraces people's differences and respects people who are not like us. And that's a profoundly good thing. And, by the way, it's part of what will make America a continued leader of the 21st century—because the world is shrinking, and one of our greatest assets is the fact that we have people from everywhere who want to come here because they know this is an open society, and they know that they will be judged more on their talents and their skills and their commitment to an

ideal and a creed, as opposed to what tribe they come from or what God they worship. And that's something that we should be grateful for.

**I have a couple of policy questions growing out of that shift. Is a recreational marijuana user who is following state law someone who should be a federal law-enforcement priority?**

No. And I think what the Justice Department has consistently asserted is that it's got finite resources. Our focus has to be on threats to safety, threats to property. When it

sure you pay for that crime, but in some cases to disable you from continuing to engage in violent behavior.

But there's a big chunk of that prison population that is involved in nonviolent crimes. And it is having a disabling effect on communities. You have entire populations that are rendered incapable of getting a legitimate job because of a prison record. And it gobbles up a huge amount of resources. If you look at state budgets, part of the reason that tuition has been rising in public universities across the country is because more and

at the state, federal and local levels. It makes sense for us to just ask some tough questions.

**As your daughters are growing older, in what ways are they changing the way you think about policy?**

For any parent, as you watch your kids age, you are reminded that everything you do has to have their futures in mind. You fervently hope they're going to outlive you, that the world will be better for them when you're not around. You start thinking about their kids. And so, on an issue like climate change, for example, I think for this country and the world to ask some very tough questions about what are we leaving behind, that weighs on you.

There is that sense of, we've got to get this right, and at least give them a fighting chance. In the same way that as a parent you recognize that no matter what you do, your kids are going to have challenges—because that's the human condition—but you don't want them dealing with stuff that's the result of you making bad choices. We have to think about that as a society as a whole.



comes to drug enforcement, big-time drug dealers, folks who are preying on our kids, those who are engaging in violence—that has to be our focus.

**One of the other things that I've heard is being discussed is the idea of criminal-justice reform. What would your goals be in that area?**

I tend to be pretty conservative, pretty law and order, when it comes to violent crime. My attitude is, is that when you rape, murder, assault somebody, that you've made a choice; the society has every right to not only make

more resources were going into paying for prisons, and that left less money to provide to colleges and universities.

I think we have to figure out what are we doing right to make sure that that downward trend in violence continues, but also are there millions of lives out there that are being destroyed or distorted because we haven't fully thought through our process?


**That means alternative sentencing?**

Potentially. You can't put a price on public safety; on the other hand, we're going to be in an era of fiscal constraint

**If you look outside the boundaries of the U.S., what are the places that keep you up at night now and you hope, I'm going to make these places better four years from now?**

We are helping to shape and frame what the Asia-Pacific region will look like. That's critically important because that's where the growth and population and increasing center of gravity is going to be. And there is a genuine desire for American leadership in that region. It has to be a leadership that recognizes that China is going to continue to rise, and we should hope for China's





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FOR THE ONES WHO GET IT DONE

success. A stable China that over time is transitioning to a more open, democratic society would be really good for us economically and politically, and from a security standpoint, India—same thing.

Now, the Middle East is going through its own transformation. And I am—maybe by nature—just cautiously optimistic about us being able to see a Middle East that is—and North Africa—that is freer, more open and more economically successful. But I think we're going to go through a transition period that's bumpy. We see it in Egypt. Obviously, there are tragic convulsions in Syria.

The trend line, though, is going to be one in which the Middle East has to catch up with the 21st century, that young people there are going to expect to have a say in their future. They're going to want to be integrated into the world economy because they'll recognize that that's where opportunity and wealth is going to come from, from participating in an open market system.

The other big piece of this is that the transformation and energy could have a huge geopolitical consequence. The United States is going to be a net exporter of energy because of new technologies and what we're doing with natural gas and oil. We've, during my first four years, reduced our dependence on foreign oil each and every year; we're now down to under 50%. We can maintain those trend lines. And that, I think, gives us more freedom of movement to speak to the kind of Middle East that we want to see and the world we want to see.

**I've heard talk of you keeping a diary but never heard you talk about it. Are you keeping a diary?**

I will tell you that in the first four years, I was not as diligent as I should have been. There are stretches that are a blur. I'll have some catching up to do over the next four years.

#### **What's the purpose of a diary?**

Well, I don't have as much time to write as I used to, but in my life, writing has been an important exercise to clarify what I believe, what I see, what I care about, what my deepest values are, that there's—that the process of converting a jumble of thoughts into coherent sentences makes you ask tougher questions.

And going back to Lincoln, probably part of the reason he's my favorite President is he's also one of the best writers in American history. But you see the power of his writing evolve and shape what his policies are. He has to work through things. How does he think about slavery? How does he think about Union? How does he think about the Constitution? How does he think about the role of popular opinion? The Lincoln who is a lawyer in Springfield, Illinois, isn't the same Lincoln as the one who addresses Gettysburg. They're different people. And part of it has to do with his ability to filter these extraordinary debates and these conflicting forces into some coherent vision of what America is and should be. I'm also not as good a writer as him—to state the obvious.

**I ran into, during the campaign, a fellow who used to work for you who is now the mayor of a major American city, and I said to him, What happened to the President in the first debate? And Rahm said, "He had a**

#### **Hawaii moment." What does that mean?**

What he was probably referring to—he and I, when we were in the Oval Office sometimes and the banks looked like they were melting down and the Afghan war is raging and the auto industry is on the verge of collapse, and we'd sit here at the end of the day and we'd have little fantasies about us taking our families and just moving to Hawaii and opening up a T-shirt shack on the North Shore, and we'd just sell T-shirts and maybe smoothies and sit there and watch the waves. So that might have been the reference he was making.

Look, part of the reason why the first debate actually has become this sort of legend in the minds of political pundits is we just didn't screw up a lot this time. It was really a well-run campaign. We didn't make a lot of mistakes. But part of it also just has to do with the fact that that particular format has never been a strength of mine. I don't approach most interactions with people trying to insult them or show how stupid they are. And that's how you score points in those things. It's a very artificial construct. It's theater.

But the bottom line is that I didn't communicate effectively with the American people in that debate what was at stake, and so it was important for me to remind myself that as artificial as that format may be, whenever I've got 60 to 70 million people watching, I've got to make sure that they understand what is at stake. Are we satisfied with an America that is becoming more unequal, in which the combination of globalization and technology are creating a wider and wider divide between a few who do extraordinarily well and the

majority of people who see their prospects diminish? Do we believe in an America that says some folks are more American than others or more worthy than others or more valued than others? Or do we believe in an America where that Declaration means what it says: We hold these truths to be self-evident, that all men—women, gays, straights, blacks, whites, disabled, not disabled—that all people are created equal?

In our foreign policy, do we believe that sort of a garrison state and that our leadership is dependent on bluster and bullying other countries to bend to our will, or do we think that our leadership is driven in part by our values and our ideals?

So there are a set of questions that, as petty and trivial and frustrating, farcical as the campaign could seem sometimes, surfaced—the American people made up their minds. But I think the choice that they made was less about me and more about them, more about who they saw themselves to be. And in that sense, 2012 may have been more satisfying a win than 2008, because 2008 was all fun and exciting and—at least that's how people remember it. And it seemed like lightning in a bottle, and all these forces converged. So I think it was easy to think that maybe 2008 was the anomaly, and I think 2012 was an indication that, no, this is not an anomaly.

We've gone through a very difficult time. The American people have rightly been frustrated at the pace of change, and the economy is still struggling, and this President we elected is imperfect, and yet, despite all that, this is who we want to be. That's a good thing. ■

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**ON THEIR WAY**

The President and  
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GALLIE SHELL  
FOR TIME







## Brief Summary

Tamiflu® (oseltamivir phosphate) Rx only

What is Tamiflu?

What is "flu"?

Should I get a flu shot?

Who should not take Tamiflu?

How should I take Tamiflu?

What are the possible side effects of Tamiflu?

How and where should I store Tamiflu?

General advice about prescription medicines

## Indications

Tamiflu is for treating people 1 year and older with influenza (flu) whose symptoms started within the last two days. Tamiflu can also reduce the chance of getting the flu. Tamiflu is not a substitute for an annual flu vaccination.

## Important Safety Information

Before taking Tamiflu, tell your doctor if you are pregnant or nursing. Let your doctor know if you have kidney disease, heart disease, respiratory disease, or other serious health conditions. Also tell your doctor about any medications you are taking or if you've received a nasal-spray flu vaccine in the past two weeks.

If you have an allergic reaction or a severe rash with Tamiflu, stop taking it, and contact your doctor right away. This may be very serious. The most common side effects of Tamiflu are mild to moderate nausea and vomiting.

People with the flu, particularly children and adolescents, may be at increased risk for seizures, confusion, or abnormal behavior when they first get sick. These events may occur when the flu is not treated or right after starting Tamiflu. These events are uncommon but may lead to accidental injury. Contact a healthcare professional right away if you notice any unusual behavior.

You are encouraged to report negative side effects of prescription drugs to the FDA.

Visit [www.fda.gov/medwatch](http://www.fda.gov/medwatch), or call 1-800-FDA-1088.


Please see brief summary on this page.

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# THERE'S NO SUCH THING AS A LITTLE FLU

With aches, fever and chills, the flu is a really big deal. So why treat it like it's a little cold? There's something that works differently than over-the-counter remedies. Prescription Tamiflu attacks the flu virus at its source.

The flu goes on fast, so if you start feeling symptoms, call your doctor right away.

  
**Tamiflu**  
oseltamivir phosphate  
*Prescription for flu*

Nº2

THE FIGHTER

# MALALA YOUSAFZAI

IN TRYING TO SILENCE THIS PAKISTANI SCHOOLGIRL,  
THE TALIBAN AMPLIFIED HER VOICE. SHE IS NOW A SYMBOL OF  
THE STRUGGLE FOR WOMEN'S RIGHTS ALL OVER THE WORLD

BY ARYN BAKER/MINGORA

ILLUSTRATION BY  
SLIMAN MANSOUR  
FOR TIME



# A yesha Mir didn't go to school on Tuesday, Nov. 27, the day after a security guard found a shrapnel-packed bomb under her family's car. The 17-year-old Pakistani girl assumed, as did

most people who learned about the bomb, that it was intended for her father, the television news presenter Hamid Mir, who often takes on the Taliban in his nightly news broadcasts. Traumatized by the near miss, Ayesha spent most of the day curled up in a corner of her couch, unsure whom to be angrier with: the would-be assassins or her father for putting himself in danger. She desperately wanted someone to help her make sense of things.

At around 10:30 p.m., she got her wish. Ayesha's father had just come home from work, and he handed her his BlackBerry. "She wants to speak to you," he said. The voice on the phone was weak and cracked, but it still carried the confidence that Ayesha and millions of other Pakistanis had come to know through several high-profile speeches and TV appearances.

"This is Malala," said the girl on the other end of the line. Malala Yousafzai, 15, was calling from the hospital in Birmingham, England, where under heavy guard she has been undergoing treatment since Oct. 16. "I understand that what happened was tragic, but you need to stay strong," Malala told Ayesha. "You cannot give up."

It was one of the few times Malala had called anyone in Pakistan since she was flown to England for specialized medical treatment after a Taliban assassin climbed onto her school bus, called out for her by name and shot her in the head on Oct. 9. Her brain is protected by a titanium plate that replaced a section of her skull removed to allow for swelling. But she spoke rapidly to the older girl in Urdu, encouraging her to stand up for her father even if doing so brought risks. As an outspoken champion of girls' right to an education, Malala knew all about risk—and fear and consequences—when it comes to taking on the Taliban. "The way she spoke was so inspirational," Ayesha says. "She made me realize that my father was fighting our enemies and that it was something I should be proud of, not afraid." The next day Ayesha returned to school. And with that call, Malala began to return to what she seems born to do—passing her courage on to others.

In trying, and failing, to kill Malala, the Taliban appear

to have made a crucial mistake. They wanted to silence her. Instead, they amplified her voice. Since October her message has been heard around the world, from cramped classrooms where girls scratch out lessons in the dirt to the halls of the U.N. and national governments and NGOs, where legions of activists argue ever more vehemently that the key to raising living standards throughout the developing world is the empowerment of women and girls. Malala was already a spokesperson; the Taliban made her a symbol, and a powerful one, since in the age of social media and crowdsourced activism, a parable as tragic and triumphant as hers can raise an army of disciples.

She has become perhaps the world's most admired children's rights advocate, all the more powerful for being a child herself. Her primary cause—securing Pakistani

girls' access to education—has served to highlight broader concerns: the health and safety of the developing world's children, women's rights and the fight against extremism. Former British Prime Minister Gordon Brown, who is now the U.N.'s special envoy for global education, declared Nov. 10 Malala Day in honor of her and the more than 50 million girls around the world who are not at school. Nearly half a million people have signed petitions

on Change.org to nominate her for the Nobel Peace Prize. That is not how the Taliban intended things to turn out.

If Malala decides to continue her crusade, her will be a platform backed with financial means and wired with well-connected allies. "She'd be great as both a fundraiser and a public speaker," says former First Lady Laura Bush, who's spent years campaigning for women's rights in Taliban-controlled areas. Several funds and initiatives have been founded, including at least one that Malala and her father will directly influence once she has recovered. However, a return to Pakistan, where Malala would likely be most effective, would be fraught with danger. The Taliban have on several occasions sworn to target her again.

LONG BEFORE SHE WAS AN ACTIVIST, MALALA YOUSAFZAI was a model student. By the time she was 2½, she was sitting in class with 10-year-olds, according to a close



Malala's family visits her at Queen Elizabeth Hospital in Birmingham on Oct. 25

## PAKISTAN'S POOR RECORD

While Pakistan guarantees a free education for every child, it still has the world's highest rate of children out of school. An estimated 27 million of the nearly 54 million school-age children are not in class; the majority of them are girls. Less than half of Pakistan's female population is literate.



Taipei's moment: Beyond your expectations!

Women's World Golf Ranking No. 1  
Yani Tseng

Taiwan HBL Woman MVP  
Yuhan Chang

# 2017

Universiade  
in Taipei





▲ Malala was injured in this Peshawar hospital on Sunday. Hospital officials are treating preliminary trauma and are awaiting surgery.

family friend and teacher at the school founded by Malala's father. The little girl with the huge hazel eyes didn't say much, but "she could follow, and she never got bored," says the teacher, who asked to remain anonymous for fear that she too might become a Taliban target. Malala loved the school, a rundown concrete-block building with a large rooftop terrace open to views of the snow-capped mountains that surround the Swat Valley. As she grew older, she was always first in her class. "She was an ordinary girl with extraordinary abilities," says the teacher, "but she never had a feeling of being special."

Malala spent most of her pocket money on books, says the teacher. She carried a Harry Potter schoolbag and read a biography of Benazir Bhutto as well as one of Barack Obama's books. One of her favorite books was Paulo Coelho's *The Alchemist*, and she often quoted the well-known line about how the universe conspires to help when you want something.

Family friends attribute Malala's precociousness to her father, a social activist who believes that the education of girls is vital to Pakistan's future. Ziauddin Yousafzai opened Khushal School and College 17 years ago with the aim of building a new generation of female leaders. Samar Minallah Khan, a documentary filmmaker who got to know the Yousafzais in 2010 when she made a film about the school, was astounded by the ambition and character of the girls she met. "Each and every girl in that school is a Malala," says Khan, "and the credit goes to her father and the teachers and the principal."

In September 2008, as the Pakistani Taliban gained a significant foothold in Swat and started enforcing their strict interpretations of Islamic law, Yousafzai took Ma-

lala to the provincial capital of Peshawar for an event at the city's press club. There, in front of the national press, the 11-year-old gave a speech titled "How Dare the Taliban Take Away My Basic Right to Education?" The speech was well received, but many worried that confronting the Taliban so brazenly might put Malala in danger. "People said to me, 'How can you let her do this?'" Yousafzai told a reporter at the time. "We needed to stand up," he reasoned.

Some believe that Malala was simply not old enough to make what were essentially life-or-death decisions. "I think Zia was imposing his own thoughts about girls' education on her," says Dr. Mohammad Ayub, a psychiatrist from Swat who manages the hospital where Malala was taken immediately after the shooting. Malala, he says, "was like a suicide bomber, brainwashed into putting herself in danger. Child prostitutes, child soldiers, child laborers and child heroes—they are all exploited children, in my opinion, and it shouldn't be allowed." People who know Malala personally, however, insist that she knew what she was doing. "No one on this earth can dictate to Malala," says Khan.

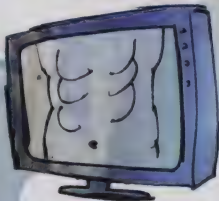
In late 2008, the BBC Urdu service proposed to Yousafzai that one of his students blog anonymously about what it was like going to school under Taliban rule. Malala volunteered to do it herself. She dove into the new project with dark humor. "On my way from school to home I heard a man saying, 'I will kill you,'" she wrote on Jan. 3, 2009. "I hastened my pace... to my utter relief he was talking on his mobile and must have been threatening someone else over the phone."

Even though her diary entries were anonymous, Malala apparently had few qualms about speaking openly to a national audience. On the evening of Feb. 18, 2009,

## ANALYSIS TARGETING MALALA

Swat Taliban leader  
Mullah Fazlullah  
has been widely  
credited with the  
attack on Malala.  
He is believed to  
be a key figure in  
the Taliban's  
militant wing, the  
Tehrik-i-Taliban  
Pakistan.

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## SCHOOLWORK

FIRST IN  
HER CLASS

Malala's teachers praise her as a top student, and she regularly got full marks; her father sometimes withdrew her from academic competitions so that other students would have a chance. At right are examples of her physics, math and English schoolwork obtained from the school. (At Khushal School, an English-language institution, most classes are taught in English.) In an essay on teachers for her English composition class dated Sept. 3, 2012, a month before the shooting, she wrote, "No scientist has produced a more powerful weapon... A teacher is the power of the nation." A ninth-grader this year, Malala is continuing her studies while she recuperates. Doctors say that if she does return to Swat, she should be able to take her end-of-academic-year exams with no difficulties.

Malala  
Excellent  
11/11

Q. What is Physics? Name its 6 branches.

Physics is the branch of science which deals with the study of matter, energy and the mutual relationship between them. It also tries to explain natural phenomena in terms of fundamental laws and principles.

Branches of Physics:

1. Mechanics: It is concerned with the motion of material objects under the action of force.
2. Heat: It deals with heat as a form of energy and transmission of heat by means of conduction, convection and radiation.
3. Biophysics: It deals with the study of biology based on the principles of physics.

## "Malala" "HASTE MAKES WASTE"

Once there lived a woman with her baby and a pet mongoose in a small hut. The woman went to a nearby market early in the morning leaving her child in a cradle.

Mongoose was a loyal pet. It caught sight of a snake who entered the house. The snake was about to kill the baby but the pet attacked him and tore him into pieces. The child was scared but the mongoose it was stained with blood.

Malala  
English Assignment  
Teacher

Malala Yousafzai

MALALA

$x = f, 4, 2, 1$   $y = 1, 2, 3, 4$

Diagram 1: A bipartite graph with sets X and Y. X contains nodes f, 4, 2, 1 and Y contains nodes 1, 2, 3, 4. Edges connect (f,1), (f,2), (f,3), (f,4), (4,1), (4,2), (2,1), (2,2), (1,3), (1,4).

Diagram 2: A bipartite graph with sets X and Y. X contains nodes f, 4, 2, 1 and Y contains nodes 1, 2, 3, 4. Edges connect (f,1), (f,2), (f,3), (f,4), (4,1), (4,2), (2,1), (2,2), (1,3), (1,4).

Diagram 3: A bipartite graph with sets X and Y. X contains nodes f, 4, 2, 1 and Y contains nodes 1, 2, 3, 4. Edges connect (f,1), (f,2), (f,3), (f,4), (4,1), (4,2), (2,1), (2,2), (1,3), (1,4).

Range of X:  $\{f, 4, 2, 1\}$   
 Range of Y:  $\{1, 2, 3, 4\}$   
 Range of Z:  $\{1, 2, 3, 4\}$   
 Range of W:  $\{1, 2, 3, 4\}$   
 Range of V:  $\{1, 2, 3, 4\}$   
 Range of U:  $\{1, 2, 3, 4\}$   
 Range of T:  $\{1, 2, 3, 4\}$   
 Range of S:  $\{1, 2, 3, 4\}$   
 Range of R:  $\{1, 2, 3, 4\}$   
 Range of Q:  $\{1, 2, 3, 4\}$   
 Range of P:  $\{1, 2, 3, 4\}$   
 Range of O:  $\{1, 2, 3, 4\}$   
 Range of N:  $\{1, 2, 3, 4\}$   
 Range of M:  $\{1, 2, 3, 4\}$   
 Range of L:  $\{1, 2, 3, 4\}$   
 Range of K:  $\{1, 2, 3, 4\}$   
 Range of J:  $\{1, 2, 3, 4\}$   
 Range of I:  $\{1, 2, 3, 4\}$   
 Range of H:  $\{1, 2, 3, 4\}$   
 Range of G:  $\{1, 2, 3, 4\}$   
 Range of F:  $\{1, 2, 3, 4\}$   
 Range of E:  $\{1, 2, 3, 4\}$   
 Range of D:  $\{1, 2, 3, 4\}$   
 Range of C:  $\{1, 2, 3, 4\}$   
 Range of B:  $\{1, 2, 3, 4\}$   
 Range of A:  $\{1, 2, 3, 4\}$



## LET'S FUEL THEIR IMAGINATION TO THINK OF MORE INNOVATIVE ENERGY SOLUTIONS.

How do we meet the growing energy needs of the modern world? Not just for today, but long into the future? It's a complex question to which there is no simple answer. Whatever happens, collaboration is essential. And it's that mix of different, sustainable energies. At Shell, we've been working with schools and universities around the world for the past 25 years on the Shell Eco-marathon – an innovative competition that challenges students to design, build and race some of the most economical vehicles possible. Last year's winner achieved 8,674 miles per gallon, the most efficient figure. But one we hope to beat this year. And is an example of how we're working together to help develop innovative energies that can power and sustain all our lives long into the future. Let's broaden the world's energy mix.



**LET'S GO.**

### Search: Shell Let's Go

To explore interactive stories on innovation in energy, visit [Shell.com/lets-go](http://Shell.com/lets-go) or search "INSIDE" for more on the topic.







▲ *An armed policeman stands guard outside Malala's home in the Swat Valley just west of Mingora*

## THE TALIBAN IN SWAT

In late 2007, members of the Pakistani Taliban took over the Swat Valley by destroying schools and imposing their version of Sharia. The Pakistani military drove them out in 2009, but resistance continued. Afghanistan's leader insisted on foreign intervention after the 9/11 attacks.

she was attending an anti-Taliban protest with her father in Swat's capital, Mingora, where she spied broadcaster Hamid Mir, who was in town reporting. She ran up to him and asked to be on his show. Intrigued, he put her on. "All I want is an education," she told Mir and his audience. "And I am afraid of no one."

By the time the Taliban were driven from Swat seven months later, Malala had become a visible advocate for girls' education. She campaigned to raise government spending on schools (at the moment it's a miserable 2% of GDP, compared with the U.S. average expenditure of about 5.4%) and encouraged families to break with tribal tradition and allow their daughters to attend classes. A number of schools were renamed in her honor. She met with the late Richard Holbrooke, then the U.S. special envoy to Pakistan and Afghanistan, to plead for assistance for Pakistani schools.

But in December 2009, Malala, whose identity as the BBC blogger had been something of an open secret for several months, was publicly identified by her father, who was proud of her accomplishments. The leader of the Swat Taliban, Maulana Fazlullah, decided it was time to silence Malala and sent two men to kill her. "We did not want to kill her, as we knew it would cause us a bad name in the media," Sirajuddin Ahmad, a senior commander and spokesman for the Swat Taliban, told TIME. "But there was no other option."

When the converted truck that serves as the Khushal school bus came to a stop on Oct. 9 this year, few of the 14 girls and three teachers crammed onto the two long benches inside even noticed. They were too busy chatting about the exams they had just completed. Shazia Ramzan, a 13-year-old sitting next to Malala near the open back of

the truck, was the first to see the gunman. "Which one is Malala?" he barked. Terrified, the girls fell silent. "I think we must have looked at her," admits Shazia. "We didn't say anything, but we must have looked, because then he shot her." Shazia screamed when she saw Malala slump forward. The gunman turned and shot Shazia and another girl, neither fatally. The gunman fled.

**T**HE BULLET THAT HIT MALALA, according to doctors who are treating her, pierced the skin just behind her left eye, traveled along the exterior of her skull, nicked her jawbone, went through her neck and lodged in the muscle just above her left shoulder blade. Surgeons in Pakistan removed a section of her skull during an operation on Oct. 10 and embedded it in the flesh of her abdomen; as long as it's inside her body, it will likely remain viable until her doctors decide it is time to take off the titanium plate and patch her skull back together. She will probably face several more months of rehabilitation. Doctors treating her at Queen Elizabeth Hospital in Birmingham do not expect her to suffer permanent brain damage.

Besides her call to Ayesha Mir, she is showing other small but telling signs of wanting to resume her role as an activist. The first pictures taken of her after the shooting showed a powerless victim of violence: on her back, swollen, possibly dying. That didn't happen again. For subsequent photos released after her surgery, friends say, she insisted that she be photographed with a book in hand and her headscarf carefully draped to hide any signs of damage—both as a nod to tradition and so that supporters



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would know that her priorities had not changed.

Even as she quietly recovers, her story has lit a fire. Queen Elizabeth Hospital has been flooded with gifts and cards from all over the world and donations now totaling \$13,700 for Malala and her family. Meanwhile, a group of graduate students in the U.S. has teamed up with a Yousafzai family friend to raise almost \$50,000. In the days immediately following the shooting, several charities and NGOs received boosts in donations directed toward girls' education in Pakistan. And on Dec. 10, Pakistani President Asif Ali Zardari announced the establishment of a \$10 million education fund in Malala's name.

Malala also now has numerous powerful supporters, including a group of well-connected people like Megan Smith, a vice president at Google, and Mark Kelly, an astronaut and the husband of former Congresswoman and shooting survivor Gabby Giffords, who have helped established the Malala Fund, which will offer grants to organizations and individuals working in education. The plan is for Malala, when she's better, to sit on the board along with her father and make decisions about who should receive the grants.

And her father has an important new job: on Dec. 9, Gordon Brown announced that Ziauddin would be his special adviser on global education.

But as Malala knows perhaps better than anyone else, the forces aligned against her are intimidating and entrenched. Although she has said through her father that she is determined to return to Swat, it's quite possible that she will be forced to remain in England, where she has security and an unfettered opportunity to study. (The Pakistani government has promised to cover the cost of her education should she stay in the U.K.) That

will only allow her critics—and there are many, including people who believe the shooting was staged or even invented—to insist that she and her family have forsaken the country they claim to care so much about.

In the face of such pressure, and after all she has been through, it would be understandable if Malala essentially retired at age 15. She may decide that she's already done enough. Perhaps, in spite of the threats that are still directed at her, she will go back to Mingora to finish her education and raise a family, as is traditional for most girls and women in the region. There, her family's home, a small gated compound shaded by a massive orange tree heavy with unplucked fruit, is watched over by family friends. Her tiny ninth-grade classroom on the second floor of the school is crammed with 31 students—and has one empty desk. Her best friend, Moniba, used a white correction pen to inscribe *Malala* in girlish cursive onto the desk's battered wooden armrest. "This is Malala's desk," says Moniba, who sits at the adjacent seat. "It will stay empty until she comes back."

If she doesn't, all it takes is a quick scan of the school's crowded classrooms to understand that there are 400 Malalas prepared to take her place. Not all of them will be as bold or articulate as Malala, perhaps. But each one has returned to Khushal with the full knowledge that Malala's attackers are still at large. These girls have overcome fear to go to school. At the very least, they will fight for the right of their daughters, and their daughters' daughters, to do the same. Malala's classmates were already brave. She has made them, and girls all over the world, braver still. —WITH REPORTING BY MEGAN GIBSON AND SONIA VAN GILDER COOKE/LONDON AND MEHBOOB ALI/MINGORA ■

▲  
Shooting survivor  
the Nobel Prize  
afterwards, Malala  
returned to her  
school in Mingora

## THE OTHER SURVIVORS

Kenneth Rhee, 16, and  
Shahid Khan, 15,  
were among the  
students who  
survived the  
shooting. Malala  
has been awarded  
the Nobel Prize for  
Peace. She is now  
in England, where  
she is recovering  
from her injuries.  
She is now in  
England, where  
she is recovering  
from her injuries.

For psoriatic arthritis or moderate

# ENBREL helps stop joint pain at work and



The #1 rheumatologist-prescribed biologic, ENBREL can help relieve pain, stiffness, and stop joint damage. ENBREL was shown to be effective in 50% of psoriatic arthritis patients at six months. ENBREL is also approved for adults with moderate to severe rheumatoid arthritis (RA).

ENBREL is indicated for reducing signs and symptoms, keeping joint damage from getting worse, and improving physical function in patients with psoriatic arthritis. ENBREL can be used in combination with methotrexate in patients who do not respond adequately to methotrexate alone.

ENBREL is indicated for reducing signs and symptoms, keeping joint damage from getting worse, and improving physical function in patients with moderate to severe rheumatoid arthritis. ENBREL can be taken with methotrexate or used alone.

#### IMPORTANT SAFETY INFORMATION

##### What is the most important information I should know about ENBREL?

ENBREL is a medicine that affects your immune system. ENBREL can lower the ability of your immune system to fight infections. Serious infections have happened in patients taking

ENBREL. These infections include tuberculosis (TB) and infections caused by viruses, fungi, or bacteria that have spread throughout the body. Some patients have died from these infections. Your doctor should test you for TB before you take ENBREL and monitor you closely for TB before, during, and after ENBREL treatment, even if you have tested negative for TB.

There have been some cases of unusual cancers reported in children and teenage patients who started using tumor necrosis factor (TNF) blockers before 12 years of age. Also, for children, teenagers and adults taking TNF blockers, including ENBREL, the chances of getting lymphoma or other cancers may increase. Patients with RA or psoriasis may be more likely to get lymphoma.

##### Before starting ENBREL, tell your doctor if you:

- Have any existing medical conditions
- Are taking any medicines, including herbs

- Think you have, are being treated for, have signs of, or are prone to infection. You should not start taking ENBREL if you have any kind of infection, unless your doctor says it is okay.
- Have any open cuts or sores.
- Have diabetes, HIV, or a weak immune system.
- Have TB or have been in close contact with someone who has had TB.
- Were born in, lived in, or traveled to countries where there is more risk for getting TB. Ask your doctor if you are not sure.
- Live, have lived in, or traveled to certain parts of the country (such as the Ohio and Mississippi River valleys, or the Southwest) where there is a greater risk for certain kinds of fungal infections, such as histoplasmosis. These infections may develop or become more severe if you take ENBREL. If you don't know if these infections are common in the areas you've been to, ask your doctor.



to severe rheumatoid arthritis

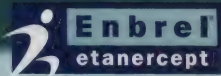
at home. Just ask pro golfer Phil Mickelson.

Phil's Mom, Mary  
Champion Parent

"More than a year ago, I experienced intense joint pain and had trouble walking. My rheumatologist diagnosed me with psoriatic arthritis and prescribed ENBREL. Now I'm back to the things that matter most."

*Phil Mickelson*

Because ENBREL suppresses your immune system, it may lower your ability to fight infections. Call 1-888-4ENBREL or visit [www.enbrel.com](http://www.enbrel.com). Prescription ENBREL is taken by injection. Ask your rheumatologist if ENBREL may be right for you.



- Have or have had hepatitis B
- Have or have had heart failure
- Develop symptoms such as persistent fever, bruising, bleeding, or paleness while taking ENBREL
- Use the medicine Kineret® (anakinra), Orencia (abatacept), or Cytoxan (cyclophosphamide)
- Are taking anti-diabetic medicines
- Have, have had, or develop a serious nervous disorder, seizures, any numbness or tingling, or a disease that affects your nervous system such as multiple sclerosis or Guillain-Barré syndrome
- Are scheduled to have surgery
- Have recently received or are scheduled for any vaccines. All vaccines should be brought up-to-date before starting ENBREL. Patients taking ENBREL should not receive live vaccines.
- Are allergic to rubber or latex

- Are pregnant, planning to become pregnant, or breastfeeding
- Have been around someone with chicken pox

**What are the possible side effects of ENBREL?**

ENBREL can cause serious side effects including: New infections or worsening of infections you already have; hepatitis B can become active if you already have had it; nervous system problems, such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes; blood problems (some fatal); new or worsening heart failure; new or worsening psoriasis; allergic reactions; autoimmune reactions, including a lupus-like syndrome and autoimmune hepatitis.

Common side effects include: injection site reactions; upper respiratory infections (sinus infections); and headache.

These are not all the side effects with ENBREL.

Tell your doctor about any side effect that bothers you or does not go away.

If you have any questions about this information, be sure to discuss them with your doctor. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit [www.fda.gov/medwatch](http://www.fda.gov/medwatch) or call 1-800-FDA-1088.

Please see accompanying Medication Guide on the next page.



## Medication Guide Enbrel® (en-brel) (etanercept)

Read the Medication Guide that comes with Enbrel before you start using it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking with your doctor about your medical condition or treatment. It is important to remain under your doctor's care while using Enbrel.

Enbrel is a prescription medication called a Tumor Necrosis Factor (TNF) blocker that affects your immune system.

### What is the most important information I should know about Enbrel?

Enbrel may cause serious side effects, including:

1. Risk of Infection
2. Risk of Cancer

#### 1. Risk of Infection

Enbrel can lower the ability of your immune system to fight infections. Some people have severe infections while taking Enbrel. These infections include tuberculosis (TB), and infections caused by viruses, fungi, or bacteria that spread throughout their body. Some people have died from these infections.

- Your doctor should test you for TB before starting Enbrel.
- Your doctor should monitor you closely for symptoms of TB during treatment with Enbrel even if you tested negative for TB.
- Your doctor should check you for symptoms of any type of infection before, during and after your treatment with Enbrel.

You should not start taking Enbrel if you have any kind of infection unless your doctor says it is okay.

#### 2. Risk of cancer

There have been cases of unusual cancers in children and teenage patients who started using TNF-blocking agents at less than 18 years of age.

- For children, teenagers and adults taking TNF-blocker medications, including Enbrel, the chances of getting lymphoma or other cancers may increase.
- People with rheumatoid arthritis or psoriasis, especially those with "very active" disease, may be more likely to get lymphoma.

### Before starting Enbrel, be sure to talk to your doctor:

Enbrel may not be right for you. Before starting Enbrel, talk your doctor about all of your medical conditions, including:

#### Infections—tell your doctor if you:

- Have an infection. (See "What is the most important information I should know about Enbrel?")
- Are being treated for an infection.
- Think you have an infection.
- Have symptoms of an infection such as fever, sweats or chills, cough or flu-like symptoms, shortness of breath, blood in your sputum, weight loss, muscle aches, warm red or painful areas on your skin, sores on your body, diarrhea or stomach pain, burning when you urinate or urinating more often than normal and feel very tired.
- Have any open cuts on your body.
- Get a lot of infections or have infections that keep coming back.
- Have diabetes, HIV or a weak immune system. People with these conditions have a higher chance for infections.
- Have TB, or have been in close contact with someone with TB.
- Were born in, lived in or traveled to countries where there is a risk for getting TB. Ask your doctor if you are not sure.
- Live, have lived in or traveled to certain parts of the country (such as the Ohio and Mississippi River valleys, or the Southwest) where there is a greater risk for getting certain kinds of fungal infections (histoplasmosis, coccidioidomycosis, blastomycosis). These infections may happen or become more severe if you use Enbrel. Ask your doctor if you do not know if you were or have lived in an area where these infections are common.
- Have or have had hepatitis B.

### Also, BEFORE starting Enbrel, tell your doctor:

- About all the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements including:
  - Orencia® (abatacept) or Kineret® (anakinra), you have a higher chance for serious infections after taking Enbrel with Orencia® or Kineret®.
  - Cyclosporinamide (Cytozeal®). You may have a higher chance for getting certain cancers after taking Enbrel with cyclosporinamide.
  - Anti-diabetic medicines. If you have diabetes and are taking medication to control your diabetes, your doctor may decide you need less anti-diabetic medication while taking Enbrel.

Keep a list of all your medications with you to show your doctor and pharmacist each time you get a new medicine. Ask your doctor if you are not sure if your medicine is one listed above.

### Other important medical information you should tell your doctor BEFORE starting Enbrel, includes if you:

- Have or had a nervous system problem such as multiple sclerosis or Guillain-Barre syndrome.
- Have or had heart failure.
- Are scheduled to have surgery.
- Have recently received or are scheduled to receive a vaccine.
- All vaccines should be brought up-to-date before starting Enbrel.
- People taking Enbrel should not receive live vaccines.
- Ask your doctor if you are not sure if you received a live vaccine.
- Are allergic to rubber or latex.
- The needle covers on the enbrel prefilled syringes and the single-use prefilled SureClick® autoinjectors contain dry natural rubber.
- Have been around someone with varicella zoster (chicken pox).
- Are pregnant or plan to become pregnant. It is not known if Enbrel may harm your unborn baby.
- Pregnancy Registry: Amgen has a registry for pregnant women who take Enbrel. The purpose of this registry is to check the health of the pregnant mother and her child. Talk to your doctor if you are pregnant and contact the registry at 1-877-311-8872.
- Are breastfeeding or plan to breastfeed. It is not known if Enbrel passes into your breast milk. You and your doctor should decide if you will use Enbrel or breast feed. You should not do both.

### See the section "What are the possible side effects of Enbrel?" below for more information.

#### What is Enbrel?

Enbrel is a prescription medication called a Tumor Necrosis Factor (TNF) blocker.

Enbrel is used to treat:

- Moderately to severely active rheumatoid arthritis (RA). Enbrel can be used alone or with a medicine called methotrexate.
- Psoriatic arthritis. Enbrel can be used alone or with methotrexate.
- Ankylosing spondylitis (AS).
- Chronic moderate to severe plaque psoriasis in adults ages 18 years and older.
- Moderately to severely active polyarticular juvenile idiopathic arthritis (JIA) in children ages 2 years and older.

You may continue to use other medicines that help treat your condition while taking Enbrel, such as nonsteroidal anti-inflammatory drugs (NSAIDs) and prescription steroids, as recommended by your doctor.

Enbrel can help reduce joint damage and the signs and symptoms of the above mentioned diseases. People with these diseases have too much of a protein called tumor necrosis factor (TNF), which is made by your immune system. Enbrel can reduce the effect of TNF in the body and block the damage that too much TNF can cause, but it can also lower the ability of your immune system to fight infections. See "What is the most important information I should know about Enbrel?" and "What are the possible side effects of Enbrel?"

#### Who should not use Enbrel?

##### Do not use Enbrel if you:

- Have an infection that has spread through your body (sepsis).

##### How should I use Enbrel?

- Enbrel is given as an injection under the skin (subcutaneous or SC).
- Your doctor decides if you or a caregiver can give the injections of Enbrel at home, or if your caregiver should receive training on the right way to prepare and inject Enbrel. Do not try to inject Enbrel until you have been shown the right way by your doctor or nurse.
- Enbrel is available in the forms listed below. Your doctor will prescribe the type best for you:
  - Single-use Prefilled Syringe
  - Single-use Prefilled SureClick Autoinjector
  - Multiple-use Vial

See the detailed "Instructions for Use" with this Medication Guide for instructions about the right way to store, prepare and give your Enbrel injections at home.

- Your doctor will tell you how often you should use Enbrel. Do not miss any doses of Enbrel. If you forget to use Enbrel, inject your dose as soon as you remember. Then, take your next dose at your regularly scheduled time. In case you are not sure when to inject Enbrel, call your doctor or pharmacist.
- Do not use Enbrel more often than as directed by your doctor.
- Your child's dose of Enbrel depends on his or her weight. Your child's doctor will tell you which form of Enbrel to use and how much to give your child.

#### What are the possible side effects of Enbrel?

##### See "What is the most important information I should know about Enbrel?"

Enbrel can cause serious side effects, including:

- Infections. Enbrel can make you more likely to get infections or make any infection that you have worse. Call your doctor right away if you have any symptoms of an infection. See "Before starting Enbrel, be sure to talk to your doctor" for a list of symptoms of infection.
- Hepatitis B infection in people who carry the virus in their blood. If you

- are a carrier of the hepatitis B virus (a virus that affects the liver), the virus can become active while you use Enbrel. Your doctor may do a blood test before you start Enbrel and while you use Enbrel.
- Nervous system problems. Rarely, people who use TNF-blocker medicines have developed nervous system problems such as multiple sclerosis, seizures or inflammation of the nerves of the eyes. Tell your doctor right away if you get any of these symptoms: numbness or tingling in any part of your body, vision changes, weakness in your arms and legs and dizziness.
- Blood problems. Low blood counts have been seen with other TNF-blocker medicines. Your body may not make enough of the blood cells that help fight infections or help stop bleeding. Symptoms include fever, bruising or bleeding very easily, or looking pale.
- Heart failure including new heart failure or worsening of heart failure you already have. New or worse heart failure can happen in people who use TNF-blocker medicines like Enbrel. If you have heart failure your condition should be watched closely while you take Enbrel. Call your doctor right away if you get new or worsening symptoms of heart failure while taking Enbrel, such as shortness of breath or swelling of your lower legs or feet.
- Psoriasis. Some people using Enbrel developed new psoriasis or worsening of psoriasis they already had. Tell your doctor if you develop red scaly patches or raised bumps that may be filled with pus. Your doctor may decide to stop your treatment with Enbrel.
- Allergic reactions. Allergic reactions can happen in people who use TNF-blocker medicines. Call your doctor right away if you have any symptoms of an allergic reaction. Symptoms of an allergic reaction include a serious rash, swollen face or trouble breathing.
- Autoimmune reactions, including:
  - Lupus-like syndrome. Symptoms include a rash on your face and arms that gets worse in the sun. Tell your doctor if you have this symptom. Symptoms may go away when you stop using Enbrel.
  - Autoimmune hepatitis. Liver problems can happen in people who use TNF-blocker medicines, including Enbrel. These problems can lead to liver failure and death. Call your doctor right away if you have any of these symptoms: flat very tired, skin or eyes look yellow, poor appetite or constipation, pain on the right side of your stomach (abdomen).

#### Common side effects of Enbrel include:

- Injection site reactions such as redness, swelling, itching or pain. These symptoms usually go away within 5 to 7 days. If you have pain, redness or swelling around the injection site that doesn't go away or gets worse, call your doctor.
- Upper respiratory infections (sinus infections).
- Headache.

These are not all the side effects with Enbrel. Tell your doctor about any side effect that bothers you or does not go away.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

#### How should I store Enbrel?

- Store Enbrel in the refrigerator at 36° to 46° F (2° to 8° C).
- Do not freeze.
- Do not shake.
- Keep Enbrel in the original carton to protect from light.
- Keep Enbrel and all medicines out of the reach of children.

#### General Information about Enbrel

Medicines are sometimes prescribed for purposes not mentioned in a Medication Guide. Do not use Enbrel for a condition for which it was not prescribed. Do not give Enbrel to other people, even if they say the same condition. It may harm them.

This Medication Guide summarizes the most important information about Enbrel. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about Enbrel that is written for healthcare professionals. For more information, call 1-888-4ENBREL (1-888-436-2735).

#### What are the ingredients in Enbrel?

Single-use Prefilled Syringe and the Single-use Prefilled SureClick Autoinjector:

Active ingredient: etanercept  
Inactive ingredients: sucrose, sodium chloride, L-arginine hydrochloride and sodium phosphate

Multiple-use Vial:

Active ingredient: etanercept  
Inactive ingredients: mannitol, sucrose, tromethamine

iv

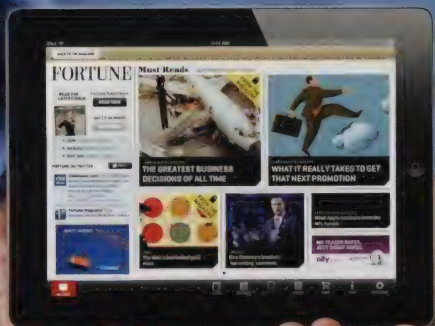
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Nº3

THE TECHNOLOGIST

# TIM COOK

HE INHERITED THE MOST VALUABLE COMPANY IN THE  
WORLD FROM ONE OF THE GREATEST INNOVATORS IN  
HISTORY. IN 2012 HE MADE APPLE HIS OWN

BY LEV GROSSMAN

PHOTOGRAPH BY  
MARCO GROB  
FOR TIME





# Tim Cook has the decidedly nontrivial distinction of being the first CEO of Apple since the very first to come to power without blood on his hands. For most of its history,

Apple has had a succession problem: it had no internal mechanism for transferring power from one CEO to the next without descending into civil war in between. "Each time," Cook says, "the way that the CEO was named was when somebody got fired and a new one came in."

This clearly bothered Steve Jobs, because he spoke to Cook about it shortly before he died. "Steve wanted the CEO transition to be *professional*," Cook says. "That was his top thing when he decided to become chairman. I had every reason to believe, and I think he thought, that that was going to be in a long time." As we now know, it wasn't.

As long as he was handpicking his successor, you'd think Jobs would have chosen someone in his own image, but he and Cook, who was Jobs' COO at Apple, are in a lot of ways diametrical opposites. Jobs was loud, brash, unpredictable, uninhibited and very often unshaven. Cook isn't. He doesn't look like the CEO of Apple, he looks more like an Apple product: quiet, tidy, carefully curated, meticulously tooled and at the same time strangely warm and inviting. He doesn't look like Jobs, he looks like something Jobs would have made. Cook's flawless cap of white hair could have been designed by Jony Ive and fabricated in China out of brushed aluminum.

And like an Apple product, Cook runs smooth and fast. When Jobs died on Oct. 5, 2011, of pancreatic cancer, there were questions about whether Cook could lead Apple. Some, myself included, wondered whether Apple was even a viable company without Jobs. Since then Cook has gone about his business apparently unimpressed by his role as successor to one of the greatest innovators in history. Cook's record hasn't been flawless, but he has presided in a masterly way over both a thorough, systematic upgrading of each of the company's major product lines and a run-up in the company's financial fortunes that can only be described as historic.

On the day Jobs died, Apple was valued at \$351 billion; at press time its market cap stood at \$488 billion, more than that of Google and Microsoft. That's *and as in plus*: Apple is now worth significantly more than those companies combined. Apple's cash hoard alone comes to more than \$120 billion. It was news in 2011 when Apple passed Exxon Mobil to become the world's most valuable company. Now Exxon Mobil can barely see Apple's taillights in the distance, across an \$89 billion lead.

And Cook has done it his way. Jobs was famously over the top: he came at you from across the room, flashing his lightning-bolt eyebrows, and he browbeat you till you

either agreed with him or pretended to, just to make him for God's sake stop. That's not how Cook operates. He's a seducer, a Southern drawler, slow and soft-spoken. He has been observed winking. He doesn't come at you; he waits for you to come to him. And sooner or later you do, not because you have to but because, dang it, you want to.

Cook himself is reluctant to lean too hard on the contrast. "I think there's some obvious differences," he says. (He allows himself a chuckle at the understatement.) "The way we conduct ourselves is very different. I decided from negative time zero—a long time before he talked to me about his decision to pass the CEO title—that I was going to be my own self. That's the only person that I could do a good job with being."

That's what Jobs wanted. He didn't want Cook to be a jobs knockoff. He wanted Cook to be Cook. "He said, 'From this day forward, never ask what I would do. Just do what's right.' I brought up a couple of examples: 'Suppose A—do you really want me to make the call?' Yes. Yes! He talked about Disney and what he saw had happened to Disney [after Walt Disney died], and he didn't want it to happen to Apple."

Cook does have a few things in common with Jobs. He's a workaholic, and not of the recovering kind. He wakes up at 3:45 every morning ("Yes, every morning"), does e-mail for an hour, stealing a march on those lazy East Coasters three time zones ahead of him, then goes to the gym, then Starbucks (for more e-mail), then work. "The thing about it is, when you love what you do, you don't really think of it as work. It's what you do. And that's the good fortune of where I find myself."

Like Jobs, Cook suffers fools neither gladly nor in any other way (except when he has to, i.e., when talking to journalists). Behind the scenes, that measured calm can—if the legends are true—become a merciless coldness that roots out confusion and incompetence. "I've always felt that a part of leadership is conveying a sense of urgency in dealing with key issues," he says. "Apple operates at an extreme pace, and my experience has been that key issues rarely get smaller on their own." The definitive Tim Cook anecdote involves a meeting he once called about a crisis in China that required a hands-on solution. After 30 minutes, he looked at one executive and said, "Why are you still here?" The man—a sense of urgency having been successfully conveyed—immediately left the meeting, drove directly to the airport and flew to China, without even a change of clothes.

Like Jobs, Cook never shows any doubt in public, either about himself or about Apple, not a scintilla, not

## MADE IN AMERICA

### THE MAC COMES BACK

In 2011, when President Obama pressed Steve Jobs on what it would take to bring iPhone manufacturing home to the U.S., Jobs reportedly said, "Those jobs aren't coming back." But Cook has said Apple is now investing \$100 million in an initiative to have Macs, at least, built domestically.

# I WANT TO LIVE HAPPILY EVER AFTER.



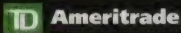
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▲  
Cook, intensely  
committed  
Jobs' most trusted  
collaborator for  
almost Apple's 1988

## MACBOOK HUB IN THE APPLE LIMELIGHT

For Cook, being CEO has been an education in spokesmodeling. "I learned how to copewith more public attention, size. There were so many wonderful things about Steve. Probably one that I hadn't thought about as much was that he took the focus off the rest of us."

for an instant. He rarely strays far from his core message about Apple: that it's the best, most innovative company in the world, that consumers love it and that it is his privilege to work for it and for them. When speaking about his management style, Cook begins, "CEOs are all packages of strengths and ..." He hesitates, looking for some way to reroute the sentence around the word *weaknesses*. Then he finds it: "and so forth."

And like Jobs, Cook has reason to think of himself as an outsider, even as he sits at the center of global techno-cool, piling up a considerable personal fortune. (In 2011, Apple awarded Cook a golden-handcuffs package of options potentially worth more than \$376 million.) Jobs' story is well known: he was adopted—the biological son of a Syrian graduate student—and he was a college dropout. Cook's story is very different but no less singular. He's highly discreet about his private life, but this much is public record: Cook grew up in a small Alabama town called Robertsdale (pop. 5,402), the son of a shipyard worker. According to a speech Cook gave at Goldman Sachs this year, he worked in a paper mill and an aluminum plant. Jobs was at least middle class and a native son of Silicon Valley. Cook is, by all indications, a working-class kid from the Deep South.

Cook earned a degree in industrial engineering from Auburn University in 1982. From there he did the expected thing: he spent 12 years at IBM, where he showed a flair for a finicky, unglamorous side of the business: manufacturing and distribution. From IBM, Cook bounced to Intelligent Electronics and then in 1997 to Compaq as vice president for corporate materials. Then he did the unexpected thing.

Almost immediately after he arrived at Compaq,

Cook began to get calls from Apple's headhunters. Jobs was back from exile—he was pushed out from Apple in 1985, then rehired 12 years later—and he wanted to bring in somebody new to run operations. At that point Apple was generally considered to be in a death spiral—that year alone, it lost a billion dollars—and Cook had no interest whatsoever in moving. But Jobs was a legend in the industry, so Cook sat down with him one Saturday morning in Palo Alto. "I was curious to meet him," Cook says. "We started to talk, and, I swear, five minutes into the conversation I'm thinking, I want to do this. And it was a very bizarre thing, because I literally would have placed the odds on that near zero, probably at zero."

Cook was interested in Jobs' strategy, which he describes using a favorite Cook expression, *doubling down*: "It was the polar opposite of everyone else's. He was doubling down on consumer when everybody else was going into enterprise. And I thought it was genius. Compaq was doing so poorly in consumer, didn't have a clue how to do consumer. IBM had left. Everybody was kind of concluding that consumer business is a loser, and here Steve is betting the company on it."

It wasn't just what they were doing at Apple, it was how they were doing it. The culture was different. "I loved the fact that I could disagree with Steve and he wasn't offended by it." For his part, Jobs must have seen something in Cook that wasn't obvious to anybody else: the maverick, the outsider. "I've never thought going the way of the herd was a particularly good strategy," Cook says. "You can be assured to be at best middle of the pack if you do that. And that's at best."

Cook got home on Sunday. Jobs offered him the job

"MY MOM HASN'T  
ACCEPTED MY FRIEND  
REQUEST YET.  
WHAT COULD SHE  
POSSIBLY BE DOING?"



AVAILABLE WITH ALL-WHEEL DRIVE

**VENZA.** KEEP ON ROLLING.



# GRAND DESIGNS THE IVE AGE

One profound change Cook has made has been to bring the design of all Apple products—hardware and software—under the control of one man, Jonny Ive. “As we’ve gotten more and more into iPhones and iPads, the front of these products is the software,” Cook says. “It’s very unlike the Mac was. And Jonny’s been involved in the look and feel of these products for over a decade.”



▲ Cook, seen here in his 1982 Auburn yearbook photo, is a passionate fan of the school's football team

on Monday. On Tuesday, Cook resigned from Compaq. The same way Ive became Jobs' trusted lieutenant on the design side, Cook stepped into that role in the less sexy and consumer-facing but equally vital area of manufacturing and distribution.

As COO, Cook was content to be a wizard in the dark art of supply-chain management. As CEO, Cook has had to declaw, to focus on the very public product side, the way Jobs did. When Cook looks back at 2012, that's where he puts the emphasis. “It's the most prolific year of innovation ever,” he says. “If you went back and were to watch a compressed movie of it, it's amazing the products that have come out.”

He is, of course, correct. In 2012, Apple released the iPhone 5, the newly redesigned MacBook Pro, two new iPods and both the third- and fourth-generation iPads, plus the iPad Mini. Apple completely redesigned its flagship media software, iTunes, and added more than 272,000 new apps to the iTunes store. “This year has been an intense year on products,” he says. “Like no other.”

All that is true and amazing and at the same time not 100% surprising. Cook has had the effect on Apple that you'd expect from an operations genius: he's made all the existing product-improving machinery run even faster and smoother than it already did. The real story of Apple in 2012 may be what Cook has done in China.

Jobs never visited the country where most of Apple's products are built, at least not in any official capacity, but as a manufacturing guy Cook is an old China hand, and on his watch Apple has broken out as a consumer brand there. The iPhone got Apple inside the Great Wall, and it has proved to be a Trojan horse: Apple products are now a status symbol among the newly affluent. When the iPhone 4S launched there in January, there were near riots outside Apple stores; the iPhone 5 sold 2 million units in China in three days. Overall, Apple's revenue from China grew by \$10 billion in 2012. “It's a huge market with huge potential,” Cook says, “with an enormous emerging middle class that really wants Apple products. I think it will be our largest market, over time.”

Apple also met with some serious and very public reversals in 2012. The labor practices of its Chinese manufacturing partners' factories continued to be a source of embarrassment. September saw the distinctly un-Apple-like launch of Apple Maps, which was buggy and reportedly misinformed as to the location of landmarks like Washington's Dulles International Airport. These were, if nothing else, opportunities for Cook to show off his chops as a swift, steely decision-maker. Cook arranged for independent audits of Apple's Chinese factories by the Fair Labor Association, and he toured China and met with Vice Premier Li Keqiang. After the Maps debacle, Cook stepped up and made a public apology, in which he took the extraordinary step of urging consumers to use competitors' products until Apple got its house in order. He also

reshuffled his cabinet, ousting the heads of Apple's retail and mobile-software divisions.

Nevertheless, the market's faith in Apple has seriously wavered since September, when its stock briefly, ecstatically crested above 700. Apple missed earnings estimates in the third and fourth quarters, and while it remains the world's most valuable company, its stock has taken a sustained three-month hammering that has left it down 25% from that high point.

There is a babel of opinions among analysts about what this does or doesn't mean. Some blame Maps. Some think the increasingly ferocious competition in the smart-phone and tablet markets is making investors nervous. Some think Apple has lost its innovative spark. Others say Apple's numbers are still so huge, who cares if they're slightly less than the even more huge but essentially arbitrary numbers that Wall Street analysts expected? Apple's price-earnings ratio hovers around a robust 12. There are commentators who still consider Apple undervalued. But there's no question that Cook also has plenty of doubters left to convince.

**N**ONE OF THIS APPEARS TO RUFFLE Cook particularly. “I've worked at Apple for 15 years,” he says, “so Apple's not foreign to me. I don't mean to sound like it's all a predictable ride. It's unpredictable. But it's always been unpredictable.” He hasn't altered his personal style any. He remains, like all great Apple products, a paradoxical combination of open and closed, polished and user-friendly but also sealed up tight against anybody who's curious about what's inside. You know there are reams of code churning away down there, just below the surface, but you'll never know exactly what's going on.

His critics say Cook lacks a true technologist's vision, but it would be more accurate to say that he has yet to show his hand. Apple finished 2012 with a triumphant record of innovation, but it was innovation with a small *i*, as in *incremental*. That's good enough for an ordinary company, but it's not what made Apple worth more than Exxon Mobil. The essence of Apple is the quantum leap, the unexpected sideways juke into a heretofore unnoticed and underexploited market—personal computers, digital music players, smart phones, tablet computers. Maybe the next step is televisions; that's certainly where the rumor mill is going. But the test for Cook will be to seek out a new category that's vulnerable to disruption and disrupt the hell out of it.

I ask Cook if he would do that—if that would continue to be Apple's modus operandi going forward. He smiles, seductively as always, and says, “Yes. Yes. Most definitely.” When that happens, that's when Cook will show his hand, and we'll get a look below the surface. He'll do the unexpected thing and double down on something new. And when he does, that's when the rest of the world will see what Jobs saw in him. ■





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Nº4

THE POWER BROKER

# MOHAMED MORSI

EGYPT'S NEW PRESIDENT WON KUDOS ABROAD  
AND CURSES AT HOME. WHAT HE DOES NEXT COULD  
DETERMINE THE SHAPE OF THE MIDDLE EAST

BY BOBBY GHOSH

ILLUSTRATION BY  
STEPH & LINDA  
FOR TIME



# If you need proof that the Arab Spring has turned the Middle East upside down, dwell for a moment on the irony that Mohamed Morsi, Egypt's Islamist President, has managed to put

the U.S. and Israel at ease even as he has filled many of his compatriots with dread.

On becoming Egypt's first democratically elected leader on June 30, Morsi included non-Islamists in his Cabinet, ignored religious extremists' calls for restrictions on secular liberties, curbed the power of the military and refrained from populist economic policies. He even quit his membership in the Muslim Brotherhood to strengthen his claim to represent all Egyptians. Abroad, he maintained the 33-year-old Israel-Egypt peace treaty and tried to persuade Syrian tyrant Bashar Assad to step down. In November, he leveraged the Brotherhood's long-standing relations with Hamas to broker a cease-fire between the Palestinian group and Israel, winning international kudos in the process.

The very day after the Gaza cease-fire took effect, however, Morsi sparked massive protests across Egypt when he announced an emergency decree granting himself more powers. The Egyptian revolutionaries who had toppled former President Hosni Mubarak immediately accused Morsi of reclaiming the dictator's powers. Some of the protests that followed turned deadly. Morsi dropped the emergency decree but insisted that a hastily written draft constitution be put to a national referendum. Its most controversial sections define, in ambiguous terms, the extent to which Egypt will be governed by Shari'a, or Islamic law.

For all his troubles at home, Morsi remains the Middle East's most influential figure. He alone has the clout to keep Hamas in line with the cease-fire agreement; having brokered the deal, he now has the responsibility to ensure that the Palestinian group refrains from firing rockets into Israel. Egypt, along with Turkey, continues to press for an end to the slaughter in Syria and will play an important role in shaping any post-Assad transition. A more assertive Egypt can also be a stabilizing counterweight to Iran's ambitions in the region. And Morsi's handling of his country's constitutional crisis will provide pointers for all the other Arab Spring states—and any aspiring to join their ranks—on the real prospects for Islamist democracy.

Two years after a self-immolating Tunisian fruit vendor set off the protests that would turn into revolution, the countries where the old order was toppled are, like Egypt, struggling to create order out of their new circumstances. In most places, Islamist parties were better prepared for the democratic process than the liberal revolutionaries and easily won elections; but governing—the business of managing an economy, cre-

ating jobs, fighting corruption, removing the remnants of the old regime—is proving much harder.

The hardest task of all? Defining the nature and laws of the newly democratic state. Like Egypt, the other Arab Spring countries want new constitutions, and in Tunisia as much as in Egypt, liberals are demanding an outside voice in the process. In Libya and Yemen, the two other Arab Spring countries with new governments, it's the Islamists who are agitating for a bigger say. In all these countries, the two sides disagree vehemently—and sometimes violently—on the role Islamic law must play in governance.

So far, Egypt is a cautionary tale, a study in how *not* to write a new constitution. Morsi's liberal opponents are not entirely blameless: they have been intransigent and often hysterical in their opposition to any expression of the country's Muslim identity. But the President's Islamist brethren, who dominate the constituent assembly, have failed to heed the anxieties of the liberals and the country's minorities, who rightly fear legalized persecution. Throughout, Morsi has shown a reluctance to rein in his former colleagues and allay the misgivings of his opponents. His actions have raised the inevitable question: Is this Islamist just an imperfect democrat or an incipient dictator?

I CAN'T SHAKE THE FEELING THAT MUCH OF EGYPT'S tumult might have been avoided if Morsi had extended to his fellow citizens the courtesy he has shown me. When we first met, in the summer of 2011, he was chairman of the Freedom and Justice Party (FJP), the new political offshoot of the Muslim Brotherhood. Photographer Yuri Kozlyev and I were at an FJP office, a modest residential apartment in a nondescript Cairo district, to meet another official, when Morsi walked into the waiting room. Since his colleague wasn't around, he took it upon himself to keep us company, ignoring an aide's repeated reminders of important phone calls and meetings. With a courtly solicitude, he asked how we were coping with the heat and whether we had been away from home long. He inquired about our nationalities (Yuri is Russian, I'm Indian) and found complimentary things to say about our respective countries.

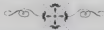
As we talked, other members of the party entered the room, carrying small rugs: it was time for the late-morning prayer, one of five that Islam requires Muslims to perform daily. When Yuri asked if he could take pictures, which many Islamists find intrusive, Morsi hesitated only a moment before agreeing. Then

## POSTDOC PRESIDENT

### CALIFORNIA DREAMING

Most of the top Muslim Brotherhood leaders are highly educated professionals. But few are PAC-12 football fans. An engineer by training, Morsi got his Ph.D. in materials science at the University of Southern California before teaching at Cal State Northridge. He retains a soft spot for the Trojans, USC's storied football team.

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INAPPROPRIATE ROMANTIC FEELINGS  
TOWARD YOUR NEW DEVICE



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▲  
*A triumphant Morsi, appearing before his supporters, the day after his inauguration*

#### A PEOPLE DIVIDED **UNCERTAIN MANDATE**

After the Muslim Brotherhood's first choice presidential candidate, a hard-line Islamist, was disqualified from running, Morsi got barely a quarter of the vote in the first round of voting last May. In June's two-man runoff, Morsi squeaked through with a 51 percent vote.

he turned to ask me, "Would you like to join us?" In the Arab world I am frequently taken for a Muslim, and an invitation to prayer is a courtesy akin to being asked to say grace in many Christian homes. On such occasions, I always offer an embarrassed apology, which usually draws either a shrug or a look of disappointment. Morsi's reaction took me by surprise. "It's all right," he said, with a reassuring smile. "I'll pray for you."

Morsi's graciousness had not diminished when we met in late November as a spasm of protests racked the country in response to the emergency decree by which he had granted himself greater power. When he sat with *TIME* in the marble-and-stucco presidential palace, he seemed concerned less with the clamor against him than with being a considerate host. He spoke in English for our benefit, despite his obvious discomfort with the language, and he tried to illustrate his arguments with Western pop-culture references he thought we would understand.

The political crisis over the constitution is the result of not only what he did but also what he didn't do. He failed to anticipate the anxiety that non-Islamist Egyptians would feel about an emergency decree that effectively put his decisions, and those of the constituent assembly drafting a new constitution, above the law. He neglected to communicate beforehand that this was designed to prevent the judiciary from stalling the constitution, a plausible concern since the Mubarak-appointed judges had already deep-sixed a previous attempt to write the document. The explanation that accompanied the decree's announcement was at best peremptory and came with a patronizing subtext: This is good for you, trust me.

Perhaps he calculated that members of the liberal

and secular opposition would never trust him: having led the revolution to topple Mubarak, they resented the Islamists' success in the free and fair vote that followed. Their leaders showed a poor grasp of the democratic process, and the most prominent of them, Nobel Peace laureate Mohamed ElBaradei, didn't even bother to run in the elections. The liberals showed little appreciation for Morsi's mostly secular actions in the months before the decree, hinting darkly that he was merely waiting for an opportune moment to unleash an Islamist agenda.

Whatever his reasons for springing the emergency decree without preamble, Morsi gave his liberal opponents a told-you-so moment they would exploit. In turn surprised by the ferocity of their response, he blamed shadowy, Mubarak-era figures for infiltrating the opposition and stirring up violence. It sounded exactly like the sort of thing the dictator himself was saying in the spring of 2011.

The result of the referendum—some parts of the country voted on Dec. 15, and early indications are that yes voters have the edge; the rest will do so on Dec. 22—will present Morsi with his next tricky challenge. If the draft constitution gets the simple majority it needs to pass, he must persuade the liberals to come in from Tahrir Square: recent history has shown them to be poor losers, so it will fall to him to display his courtly side and be magnanimous in victory. If he doesn't get the vote he needs, Morsi must create a new constituent assembly in which Islamists and liberals work together, and hope the third time's the charm. The President is not allowed to intervene in the deliberations of the assembly, but as he offered once before, he certainly can pray for them. ■

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# FABIOLA GIANOTTI

FINDING THE TINY HIGGS BOSON TOOK THE BIGGEST  
MACHINE IN THE ARSENAL OF PHYSICS—AND HELP FROM  
ONE WOMAN OBSESSED WITH THE NATURE OF REALITY

BY JEFFREY KLUGER

PHOTOGRAPHY  
LEON BERN  
FOR TIME



# Ten days is an awfully long time to have a toothache—especially with the kind of week Fabiola Gianotti had ahead of her. It was December 2011, and the annual seminar

at the European Organization for Nuclear Research—better known as CERN—was imminent. Gianotti, one of CERN's head scientists, was preparing to present preliminary findings on the hunt for the Higgs boson, the elusive particle that physicists had been seeking for the better part of half a century. Gianotti and the thousands of other scientists who work at CERN's Large Hadron Collider (LHC) were getting very close to bagging the thing, and she was eager to share what she knew. But there was the matter of that toothache.

So she took a drugstore painkiller, then started taking two when one didn't work, then went to three. Finally she woke up the night before the seminar with a raging fever and chills and had to be rushed to the hospital for emergency dental surgery. When she was done, the doctor told her she had to stay home. "I said, 'O.K., I can stay home—for 20 minutes,'" she says. That was the time she needed to race back to her house, take a shower and get to CERN.

It was an admirable case of a leader soldiering on in the face of pain, but Gianotti's reputation was already legendary. Her native smarts and intuitive people skills had earned her a spot managing a team of 3,000 at the greatest research facility physicists have ever built. And all that was before this summer, when she and her CERN colleagues announced that, yes, they had well and truly captured the Higgs. In doing so, they had nailed the particle that gives other fundamental particles their mass. That in turn completed the so-called standard model of physics, the grand framework that ties together the universe's three great forces—the strong force, the weak force and electromagnetism—and governs the behavior of subatomic particles. Look around at the familiar universe of planets and suns and moons and people. What happened at CERN helps explain why they exist as they do.

The announcement caused the kind of global sensation you don't always see in response to a scientific discovery, and three names earned an equally unusual level of fame—Gianotti, who headed one of the experiments that confirmed the Higgs; her colleague Joe Incandela, who led the other; and Rolf Heuer, the research director of CERN. It was Gianotti who perhaps received the most attention, principally for her leadership role and her manifest gifts but occasionally for a reason as predictable as it is misguided: her gender. Physics is a male-dominated field, and the assumption is that a woman has to overcome hurdles and face down biases that men don't.

But that just isn't so. Women in physics are fa-

miliar with this misconception and acknowledge it mostly with jokes. Of course there are many women in leadership positions at CERN, said one physicist. Why do you think the experiments have been so successful? If you want to know the real reason Gianotti, 51, deserves the attention she's gotten lately, you need to get to know her better.

Gianotti's background is different from that of the ordinary particle experimenter—if there is such a thing. Her mother studied literature and music; her father is a retired geologist. When she began her high school studies in Milan, she seemed to be taking after her mother, focusing on literature, art history, philosophy and ancient Latin and Greek. Math and physics were part of her curriculum but way at the bottom. Her interest in philosophy and the big questions it raises, however, actually led her away from the humanities. "I thought that physics, the little bit I knew of it, would allow me to address those questions in a more practical way," she says. "I mean, being able to give answers."

It's not likely that the answers she had in mind back then concerned what gives particles their mass, but she eventually chose that field because she was attracted to its fundamental nature. She decided to be an experimenter, working with the complex hardware of physics, for equally primal reasons. "I like manual things," she says, "doing things with my hands, the feeling of touching." What's more, she was involved in her university studies in the early 1980s, when the W and Z gauge bosons—which mediate the weak force—had just been discovered at CERN, so she knew this was a field on the move.

The LHC, where Gianotti now works and the Higgs discovery was made, straddles the French-Swiss border and is the foremost collider in the world, with a 16.7-mile (27 km) circumference. The machine and its accomplishments are the result of a quarter-century of effort by a worldwide community of scientists. All that effort and hardware is devoted principally to accelerating protons to near the speed of light, then crashing them together at enormously high energies. In the subatomic debris that results from these collisions, the Higgs and other secrets of the universe might be found.

Here's why the Higgs in particular is so important: a particle doesn't necessarily have to have mass; the photon, the basic quantum of light, doesn't. If no particles had mass, however, the universe, along with everything in it, would be a decidedly different (and decidedly less solid) place. "The Higgs particle has two functions," says Gianotti. "One is to give mass; the other is to allow the standard

## METAPHOR WARE

### EXPLAINING THE ABSTRUSE

Physicists struggle to help people understand how the Higgs confers mass on particles. Some liken it to fans swarming a celebrity—the more fans, the more mass conferred. Joe Incandela, another team leader at CERN, simply calls the Higgs "the genetic code of the universe."



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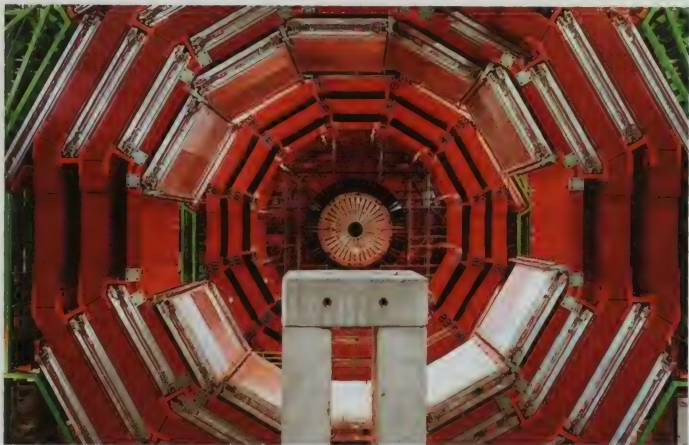
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#### WHAT'S NEXT? APRÈS HIGGS, LE DÉLUGE

The discovery of the boson could lead to a flood of investigations into dark matter (which holds the universe together), dark energy (which pulls it apart) and gravity. "Theorists are beasts like that," said Caltech physicist Maria Spiropulu.

model to behave properly up to the highest energies."

The Higgs theory—named for British physicist Peter Higgs, one of its leading developers—states that particles live in a field with which they interact. Those interactions give particles their mass, basically by attracting Higgs bosons to them. The more they attract, the greater their mass.

The team Gianotti leads at the LHC does its work with an instrument known as the ATLAS detector, which is 151 ft. (46 m) long and 82 ft. (25 m) high and is equipped with a massive magnet system that allows the paths of charged particles to be bent so they can be measured. Gianotti's work involves running the experiment at all levels—defining the overall scientific strategy, supervising the day-by-day progress of the experiment and the operation of the 7,000-ton machine and dealing with the unavoidable budgeting and human issues that come with overseeing so considerable a project.

That's the big picture. The smaller picture is a more elegant one, and it's where Gianotti's artistic history shows. She made particularly important contributions to a piece of hardware known as the liquid-argon calorimeter, which detects electromagnetic energy. It has a beautiful geometry that allows it to respond in less than 50 billionths of a second, so energy from particles moving close to the speed of light can be detected.

It's a quirk of CERN that team leaders like Gianotti—with their power over so many people and so much machinery—do not have titles like chief scientist or project director. They are simply called spokespeople, which says something about the deeply collaborative nature of the work and also helps explain why Gianotti takes more than the ordinary care to deflect and share

credit for the Higgs triumph. "It's not only a great scientific endeavor but a unique human adventure," she says. "Working with so many people from all over the world is extremely enriching and stimulating."

With the Higgs particle in hand, Gianotti and her team have a lot more questions to answer. Does the particle have the precise properties they expected, or does it differ ever so slightly? In the world of particle physics, that would have more than slight implications for how it operates. The discovery of the boson could also lead to insights into some of physics' other great mysteries, like matter-antimatter asymmetry: essentially, why is there more of one—matter—when the two should be equal?

Gianotti is also dealing with the special burdens—and joys—that come with being a role model. She receives all manner of mail these days, often from high school students and, yes, often from girls, who are inspired by the way she has risen and thrived. But the story she likes to tell involves a young man, an undergraduate physics student in Italy who was ready to abandon his studies because he thought the future of the field was too grim. He stumbled across a magazine interview with her, hunted down her e-mail address and wrote her to say she had given him new hope, new resolve. "I called him and we had several chats, and I encouraged him strongly to continue," Gianotti says. "I told him, 'Never abandon your dreams. You may regret it for the rest of your life.'"

The young physicist took her advice, switched to particle physics and, as things would have it, wound up at CERN, in the LHC, working on the ATLAS experiment. He owes his boss—O.K., his spokesperson—more than a good day's work. He owes her thanks for the wisdom that got him this far.

A photograph of a man with glasses and a young girl with blonde hair sitting together, reading a book. They are positioned in front of a window, and the scene is softly lit. The man is holding the book, and the girl is looking at it with a joyful expression. A potted plant is visible in the background.

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# THE PHILIPPINES

## A New Asian Tiger is Born

A beautiful and industrious country, the Philippines is dazzling markets with its open business climate, impressive economic performance, and huge opportunities across a range of sectors

**H**aving clawed itself back from the Asian financial crisis of 1997, the new Asian tiger is poised to drive future growth in the region. With a full set of credit upgrades awarded in 2012 by the international credit agencies, the Philippines looks set in 2013 to receive investment grade status, marking a prosperous new chapter for the country. That's not to say 2012 has been without significant achievement. The country reached No. 44 on the list of the world's largest economies, and if current trends hold, it could jump to 16th place by 2050, according to HSBC's report "The World in 2050" published this year.

During the first eight months of 2012, foreign direct investment soared 61% to reach \$1.04 billion, with manufacturing, real estate, wholesale and retail trade, finance, insurance and mining and quarrying among the benefactors, mainly from the U.S., Australia, Netherlands, the United Kingdom, Japan, and Bermuda.

A visible and highly successful anti-corruption campaign from the administration of Benigno Aquino III, which resulted in the arrest of former President Gloria Macapagal Arroyo on plunder charges in November 2011 and the impeachment of the chief of justice of the Supreme Court, Renato Corona, in late 2011, have also boosted confidence for both investors and the Filipino people.

"It is an extremely positive time for the Philippines," says Hans Sicat of the Philippine Stock Exchange. "We are talking about a boom market; you can almost feel the good atmosphere. There are important factors supporting our economy: On the macroeconomic side, the BSP (Central Bank) is doing a wonderful job in terms of managing inflation and keeping rates steady, which is helping people invest here.

"About 10 years ago, China, India, and Brazil were coming out of the blocks, and today the Philippines is doing the same. There are many opportunities for investors to come here and be successful. We do not just have the indicators of a healthy economy that are increasing consistently, but also a stable political and corporate leadership who are supporting this incredible growth. It's a new Philippines. We are moving up, and we will continue on the right track."

With almost two-thirds of the country's huge population of 103.8 million people of working age, the conditions are also in place to build a strong and sustainable economy from taxpaying workers and a buoyant middle class. The challenge now is not only to add value to the existing industries, but also to forge new ones.

What's more, the political will seems to be there, from what industry insiders are calling the Philippines' most stable government in a very long time. "The election of President Aquino was the first step in giving the Philippines more stability, and this has affected its external

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perception considerably, which is important," says Arthur Ty, chairman of Metrobank. "We have seen many administrations where the political situation was not as stable, but the current president is popular. He has got both the House and the Senate behind him, which means a solid and united government."

## "BPO is a perfect industry for the Philippine economy."

*Manuel Pangilinan, Metro Pacific Investments Corp.*

Ramon del Rosario Jr. of Phinma agrees: "It is rare to have the confluence of a leader who is credible and lives what he talks, who has assembled a team that is first-rate in terms of integrity, and an anti-corruption team that is first-class. President Aquino has achieved things that in the past would have seemed impossible."

Among the President's team is executive secretary Paquito Ochoa Jr., a lawyer and former city administrator of Quezon City, who has been the President's legal counsel since Aquino entered public service in 1998.

Today, Ochoa is the head and highest-ranking official of the Office of the President and a member of the cabinet. With a mandate to directly assist the President in the management of the affairs of the government, as well as to direct the operations of the executive office, the executive secretary is something like a "little president."

Of course, with any expanding economy, keeping the momentum going is the key. As Manuel Villar of real estate giant Vista Land



President Benigno Aquino III with President Barack Obama.

acknowledges: "We have lucrative remittances coming in from Filipinos living overseas, but we must improve exports. The business process outsourcing (BPO) sector is growing very fast, and becoming an important element of the economy. The tourism sector is also growing—we are now branding the Philippines and more and more tourists are visiting."

"At the same time, consumers are spending, so I do not view it as a bubble that will burst. A middle class is taking shape and we need to continue working in this direction because there is much more to do."

# Commuting. More fun in the Philippines



Helen Yuchengco Dee  
Chairperson, RCBC

"BPO is a perfect industry for the Philippine economy," says Manuel Pangilinan of Metro Pacific Investments Corp. "It provides employment at a good wage in a growing sector of the global economy while taking advantage of a significant strength that the Philippines has over neighboring economies. Nearly everyone speaks excellent American-style English, and we have shared interests, such as our love of basketball!"

The partnership with the U.S.—a country that colonized the Philippines for 50 years after the Spanish-American War in 1898—is indeed close. As Metrobank's Arthur Ty notes, "The U.S. has always had a special place in the Philippines. The influence is arguably stronger compared to other countries in Southeast Asia, not just for historic reasons, but for economic ones as well. The U.S. is our second-largest direct-trading partner. The common language is a big advantage. It is natural for U.S. companies to be attracted to investing here, and today we see many U.S. corporations present in specific sectors, BPO being the best example."

### Robust Banking and Finance

Competitive and well governed, the Philippines' banking sector is bucking the global trend to report steady asset growth and strong core earnings. During the first six months of 2012, average net earnings rose by 17.1% compared to 2011, with resources, largely from loans and portfolio investments, rising by 5.6% to PHP7.41 trillion (\$0.18 trillion.) Core lending posted a double-digit growth of 15.1%, with the domestic credit to GDP ratio rising from 38.6% in 2011 to 40.6%.

The top three loan destinations outside of the financial intermediation sector were real estate, manufacturing, and the transportation related sectors. In the meantime, the liquid assets-to-deposit ratio remained strong at 54.7%.

"We spent the last 10 to 12 years fixing our balance sheet from the Asian crisis," says Helen Yuchengco Dee from the Yuchengco Group of Companies, which owns Rizal Commercial Banking Corp. (RCBC), one of the country's leading banks. "Bank owners have learned their lessons from borrowing beyond their means and with the wrong currencies. Our standards are much higher today. So now we have a very liquid market with banks adequately capitalized."

Opportunities within the sector are huge. New industries, such as tourism and infrastructure will provide openings for public-private partnership programs (PPPs), and there will be around \$2.16 billion worth of contracts expected within this framework by 2013. There will also be an upsurge in the number of young professionals buying houses and cars over the coming decade.

A recent report by Crédit Lyonnais Securities Asia (CLSA)—CLSA Asia-Pacific Markets is Asia's leading and longest-running independent brokerage and investment group—showed that this segment already makes up more than 20% of consumption outside of basic needs, including luxury items, recreation, vacations and other nonessential goods and services. And, as the banking sector continues to diversify and refocus, mergers and acquisitions will offer more possibilities.

Founded in 1962, Metropolitan Bank & Trust Co. (Metrobank) is among the foremost financial institutions in the Philippines, offering a full range of banking and other financial products and services. The bank currently spans a consolidated network of more than 1,400 ATMs nationwide; over 760 domestic branches; and 38 foreign

### To navigate the Philippine economy, you need the strongest and best banking partner in the country.

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branches, subsidiaries, and representative offices. In 1981, Metrobank was listed in the Philippine Stock Exchange and acquired its universal banking license, gaining significant equity ownerships in local and international subsidiaries. It established its own credit card company, Unibancard Corporation (now Metrobank Card Corporation) in 1986, and in 1988, entered into a joint venture with Japan's largest automotive manufacturer and Mitsui Corp. to establish Toyota Motor Philippines Corp. A decade later, it partnered with another global giant, the AXA Group, to give birth to Philippine AXA Life Insurance Corp.

Metrobank has also been steadily expanding internationally. In the late 1990s, it opened branches and offices in London, Taichung, Tokyo, and Seoul. It was the first bank to be granted a banking license by Japan, and the first Philippine bank in Korea. In 2001, Metrobank became the first Philippine bank in China when it opened its branch in Shanghai. In 2010, Metrobank inaugurated its wholly owned subsidiary, Metropolitan Bank (China) Ltd., the first foreign bank headquarters to be established in Nanjing. The new bank serves as the base for Metrobank's operations in China, with three branches located in Nanjing and Shanghai.

For chairman Arthur Ty, the future looks extremely promising. He explains why: "After the Asian crisis in 1997, the Philippines took a while to recover, especially the banking sector. During that time there were many speculative investments in real estate, foreign exchange loans and other investments of this nature. The market reversed overnight, and many people were caught out. It took some time for the country to get over this experience, but one of the many important lessons learned was the value of prudence and conservatism. This lesson was carried into 2008. That year, the Philippines was almost untouched by the credit crunch in Western markets. We had the luxury

of being able to just sit back and watch what was happening.

"The Philippines banking system was very solid; now it's even more solid than it was four years ago, and it will probably be even more solid in 2014 because we will be one of the first countries in the world to do a full implementation of Basel 3. While we may be seeing consolidation among banks in the near future because of it, overall, the banks will be ready for the change."



Arthur Ty  
Chairman, Metrobank

## An Outstanding Reputation

One of the largest, most successful and innovative conglomerates in the Philippines, SM Investments Corp. (SMIC) boasts a diverse business portfolio and enjoys an outstanding reputation among its millions of customers.

The holding company of the SM Group, SMIC has established market-leading positions in a range of key sectors such as mall operations, retail stores, banking and financial services, property development, hotels, and conventions.

The ambitious group runs around 200 retail outlets, including department stores, hypermarkets and supermarkets. By the end of 2012, SM Prime will have 46 malls in the Philippines and five in China. The group's bank network is the largest in the Philippines. SMIC has a 41% interest in Banco de Oro Unibank, Inc. (BDO) and a 20% stake in China Banking Corp. (ChinaBank).

The main driving force behind the group's impressive track record is vice chairperson Teresita T. Sy-Coson—one of Asia's most power-

## The Remarkable Journey of the Tantocos, Founders of Luxury Retailing

Beyond the tale of humble beginnings, the story of the Tantocos reveals a singular journey deeply rooted in love and marriage. Their partnership is immortalized in the company they founded together: Rustan's, the largest chain of luxury and fashion stores in the Philippines. Benny and Gliceria Rustia got married in 1944. Benny, who lost his father at an early age, was forced to become the main breadwinner of his large family. He began as the ticket checker of the Rufino theaters and worked his way up the corporate ladder to become Rufino's No. 2. As part of the bonus for his work, Benny was given the opportunity to travel for pleasure around the world.

Donnie Tantoco, president of Rustan's Supercenters, recalls with pride how his grandfather Bienvenido and late grandmother Gliceria came to build one of the largest retailers and employers in the Philippines. "My grandfather has a very positive, resilient, and adventurous spirit. He does not let the inevitable troubles and harsh realities of the world stop him from living life to the fullest. It was a dream come true for him to bring my grandmother along on a foreign trip."

It was during their first trip together outside of the Philippines that Gliceria noticed a whole array of products ranging from beautiful dresses for special occasions to everyday items, such as pantyhose that were not yet available in the Philippines. The couple shifted their plans from visiting tourist sites to sourcing from wholesale markets. They arrived in Manila with several suitcases of product, which they offered for sale from their living room. Within a couple of weeks



Bienvenido R. Tantoco Sr.  
and Gliceria Tantoco  
Founders of the Rustan Group

everything was sold.

The business evolved at several levels. Combining the first syllables of their surnames, they christened their company Rustan's. The living room—and eventually, the entire house—became their first store; from merely trading, Rustan's started to represent international brands. Rustan's was the first licensee globally of Christian Dior, and one of the first licensees in Asia of Marks & Spencer, among others.

Today, Rustan's represents 80 leading international brands on an exclusive basis. When Gliceria passed away in 1994, Bienvenido continued to lead the development of the business. Under Bienvenido, the core luxury and fashion business has grown tremendously; Rustan's has also diversified into other formats, such as Starbucks and Shopwise hypermarkets.

The second- and third-generation Tantocos have, by and large, been successfully integrated into the business and the organization has been professionalized in many ways. Benny and Gliceria: intertwined, inseparable, formidable. Their love found full expression in the business they built together. A business, much like their partnership, that is an enduring testament to true drive, and a devotion not only to their family, but also employees and community.

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## The Yuchengco Group of Companies: Eyeing Greater Growth in its New Century

Having completed 100 years of continual growth, the Yuchengco Group of Companies (YGC), one of the Philippines' leading business conglomerates, is expecting even greater success as it moves onward into its new century.

By the three words inscribed in its Centennial motif—Enduring, Evolving, Empowering—the YGC affirms its commitment to remain attuned to the competitive shifts in its diversified markets, and to fulfill its duty to help build the Filipino nation.

Originating from the humble lumber, leaf tobacco, and wine-manufacturing enterprises started by Don Enrique T. Yuchengco in the late 1900s, the YGC moved to financial services with the founding of China Insurance and Surety Company in 1930.

After World War II, the liquidated China Insurance was revived and renamed Malayan Insurance, the cornerstone of what would eventually grow into a prominent conglomerate. The company would later become the Philippines' No. 1 non-life insurance company, a distinction it still holds.

Don Enrique's son Alfonso also established other pillars of the Yuchengco Group, namely: Grealife, the life insurance business; Rizal Commercial Banking Corp. (RCBC) for banking; the management and holding company House of Investments (HI); and AY Foundation for social development.

More than 50 other companies have been incorporated over the years, with many leading in their respective industries, such as Mapúa Institute of Technology, the Philippines' largest engineering school, and EEI Corp., one of the biggest and most experienced players in the construction industry.

Other YGC services touch on the information

technology, travel and tourism, and pharmaceutical fields.

The conglomerate is also helping to preserve existing environmental resources by investing in clean and renewable energy sources.

In its new century, the Yuchengco Group of Companies is committed to elevate even further its prominence as a business entity in the Philippines and abroad.



Amb. Alfonso T. Yuchengco  
Chairman  
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**YUCHENGCO GROUP OF COMPANIES**

*The Power of Synergy*

ful businesswomen and the award-winning eldest daughter of SM Group founder, Henry Sy Senior. According to Sy-Coson, one of the key secrets to the group's success is its dedication to making every visit to its stores, malls, hotels, convention centers, and leisure facilities a "personal, unique and memorable" experience where "everyone is welcome and luxury becomes affordable."

"Most of our core businesses are in the consumer sector: retail, shopping centers, properties, banking, and hotels," Sy-Coson explained. "We can be a strategic friend here in Asia and that's what U.S. investors are looking for. This is a country which is pro-American but they have to take care of us too."

**"We can be a strategic friend  
here in Asia and that's what U.S.  
investors are looking for."**

*Teresita T. Sy-Coson, Vice Chairperson, SM Investments Corporation*

In a clear sign of SMIC's successful strategic development, BDO Unibank is now the country's largest bank in terms of total resources, customer loans, total deposits, and assets under management. A full-service universal bank created through a series of mergers, BDO Unibank provides a broad range of world-class financial products and services including lending to corporate and middle-market customers, small and medium-size enterprises, and individuals.

Other services include deposit-taking, foreign exchange, brokering, trust and investments, credit cards, corporate cash management, and remittances. Through its local subsidiaries, BDO Unibank offers leasing and financing, investment banking, private banking, insurance brokerage, and stock brokerage services.

The forward-thinking company operates more than 750 branches and 1,700 ATMs and has won awards for both institutional and product excellence. An industry pioneer at the forefront of product and technological development, BDO is playing a leading role in the country's socioeconomic development and helping to attract overseas investment.

BDO Unibank president Nestor Tan said the door is ajar to foreign investors, but "they must be patient as there will be ups and downs in the Philippine economy. If they are patient and stick to their objectives, there are rich rewards here," he said. "We have raised the bar of what banking should be. BDO Unibank was also one of the drivers of banking consolidation. Consolidation in the local sense may not mean much, but as we move to regional economies, having big and strong financial institutions will actually be a plus for our country."

There is also huge potential for life insurance, as Rizalina Mantaring of Sun Life Financial confirms. "The market is under-penetrated and it is growing because we are in a demographic sweet spot. Some 64% of the population is under 30 years of age, and half the population will be of working age within the next few years," she says. "The Filipino economy is growing, so we are just at that point where you have a huge group that is starting to enjoy better incomes. All of these factors are the perfect combination for the growth of the insurance industry here."

Sun Life Financial Philippines is represented in the country by its life insurance arm, Sun Life of Canada (Philippines) Inc. (SLOCP); its mutual fund manager, Sun Life Asset Management Company Inc. (SLAMC); and its pre-needs business distributor, Sun Life Financial Plans Inc. (SLFPI). SLOCP pioneered life insurance in the Philippines



in 1895. Today it is one of the largest and most trusted insurers in the country with almost half a million policyholders. This year, Sun Life Financial global president Dean Connor hailed the Philippine unit of the insurer giant as one of its brightest spots.

"The Philippines' insurance sector has become very competitive," Mantaring says. "Many companies have entered the market, and everybody is growing to establish market share. Market penetration is very low at only 0.8% of GDP, and if you compare that even to Thailand, where the penetration is still considered low at 2.7% of GDP, you can see the potential."

## Revamped Public Services

Dispatching items safely from A to B is the mission of Philpost, which has been delivering mail across the country for more than a century. With the most extensive domestic acceptance, distribution, and delivery network, Philpost is present in every town and city in the country.

The company, one of the oldest in the Philippines, has been the recipient of a major overhaul designed to make it leaner, more efficient, and aligned with the Aquino administration's emphasis on governance in the public sector. Behind the revamping has been Josefina Dela Cruz, former Governor of Bulacan, now postmaster general and CEO of Philpost. "Connectivity is still not 100% available in the Philippines, and traditional mail still plays an important role for communication throughout the country and worldwide," she says. "We are comfortable with technologies, but to fully exploit them will take a little while more. In the meantime, we are transforming Philpost from its traditional role in delivering traditional mail: 60% of our revenues come from commercial logistics, such as billing statements. I hope to be able to introduce a hybrid mail system next year." ●

## Bank of the Philippine Islands: Making It Easy

The year 2012 has seen excellent financial results for the Philippines, with the country outperforming most of its Asian neighbors. Growth in the first six months rose by 6.1% and the stock market has surged by 20%.

With several sectors reporting exponential growth, austerity is the last word on anyone's lips.

This is an economy that has learned from past mistakes, an economy that is buoyed by a prudent banking system and that is determined to ensure that Filipino fortunes remain optimistic. As Aurelio R. Montinola III, president and CEO of the Bank of the Philippine Islands (BPI), explains:

"In the 1980s, we had no money and no economy, so Filipinos had to go abroad to work and this, ironically, became a large industry. This was our first step. The second step was the setting up of a world-class business process outsourcing industry. The third has been the development of tourism, with the slogan: 'It's More Fun in the Philippines.' The fourth, hopefully, will be foreign direct investments. China's labor cost advantage has significantly narrowed, Filipinos speak English fluently, and living in the Philippines is attractive, from a cultural and lifestyle point of view.

"In fiscal terms, there are several things we learned the hard way, but the lesson was essentially to lower corporate and banking leverage, and not to borrow in foreign currency.

"The relationship between the banks and the Central Bank has been cordial. I used to head the Bankers' Association, so we made a point of being well coordinated to avoid confrontation and confusion. With everyone in agreement, the relationship with both the regulator and the public was good. We do what a bank should do—take deposits, keep them safe, and lend to help the real economy grow. My aim is for banking to always remain an honorable profession in the Philippines."

A role model for the banking sector, BPI scores highest in regulatory compliance and in prudent lending.

"Our slogan 'Let's Make It Easy' shows we are customer-centric, not product-centric," Montinola says. "We want BPI to be more accessible and more convenient to more Filipinos. We have innovated with ATMs, credit cards, online and mobile banking, as well as excellent staff training that ties into an online learning program with Harvard Business School. We've managed to train more than 800 of our top people this way over the last three years.

"We are heavily involved with the WWF for climate risk assessments, IFC for sustainable energy financing, and Habitat for Humanity for housing for teachers."

Montinola was recently awarded the Management Association of the Philippines' "MAP Management Man of the Year 2012."



Aurelio R. Montinola III  
President and CEO, BPI

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**BPI**

# Tempting Opportunities Abound

The Philippines is building a strong and sustainable economy, with prime investments in tourism, casino resorts, real estate, and the ports promising distinct possibilities.

**W**ith extraordinary beaches, a tropical climate, scuba diving, thousands of beautiful islands and world-class resorts and casinos, the Philippines should already be a tourism magnet. The reality, however, is that this unique country has only just started to promote its image as a viable vacation destination, and although the message is getting out—tourism arrivals have grown by 9.18% in the last year alone—there is some catching up to do in terms of tourism infrastructure.

A catchy new promotional campaign launched by the Department of Tourism—"It's More Fun in the Philippines"—is doing a great job in showing the world what the Philippines has to offer, and there are some exciting new developments under way to attract visitors.

Tourism secretary Ramon R. Jimenez Jr. explains the steps he has taken to turn the islands' tourism fortunes around since coming into his post. "The Philippines is a latecomer in the serious business that tourism has become around the world," he says. "Tourism never really got off the ground in this country because it was always perceived as just a form of business activity, rather than a national industry. I come from a marketing background, and I noticed that we never really put

any money behind the brand. The big difference today is that this is the most tourism-oriented government in the Philippines' history. It understands that it takes marketing resources to build a brand. The Philippines wasn't popular or unpopular because people were afraid of it—the huge majority just simply didn't know about it.

"The opposite is, of course, true for our friendly competitors, Thailand, Malaysia and Singapore, which have been actively behind their image creation for a long time."

An "open skies" policy has done much to improve the country's accessibility. "For 65 years, we only had one entry point, which was Manila; now we have around 30 flights a day coming in directly from Hong Kong, Korea and Taiwan to Boracay alone. It's the same in Cebu. And it will grow exponentially. The challenge with us is to create the capacity to absorb that demand. The growth in the number of visitors resulting from an increase in awareness of the Philippines abroad is a challenge. I need a little space to allow the cement to dry on very critical infrastructure. You can't snap your fingers and have a new airport—it takes time."

Jimenez understands that although complicated and expensive from a logistical point of view, the Philippines' unique geography can



## Scaling New Heights

SM Investments Corporation, over the last 50 years, has set the standards for growth, leadership and innovation in Philippine business. It has created a world all its own, one that breathes life and growth into empty spaces and builds thriving communities upon them. SM has found its momentum and strength in its five core businesses: retail, mall operations, banking, property development, and hotels and conventions. Now SM is at the right place at the right time to seize greater opportunities, deploy more resources and to emerge as a global force. The plans are laid out and SM can't wait to introduce its brand of products and services to millions more.

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be an advantage. "There is a reason why we have 7,107 islands," he says. "If you don't like this island, then you can swim to the next one! And if it's raining on that one, there are 76 other places where it isn't!"

The country is also marketing itself as a casino hotspot that will soon be joining the established resorts of Las Vegas and Macau as a fun palace for serious players. One of the most prominent names in the gaming and leisure sector is the Leisure and Resorts World Corp. Headed by president Albee Benitez, the company pioneered commercial bingo in the country, and it has grown majestically from there.

"LRWC is a listed company," Benitez says. "Together with SM Corp., we want for a license and now we're one of the four licensees of Philippine Amusement and Gaming Corp. (Pagcor) and Entertainment City. So we've diversified into bigger operations, as well as online casinos."

In 2005, LRWC acquired First Cagayan Leisure and Resort Corp. (FCLRC) to develop, operate, and conduct Internet and gaming enterprises and facilities in the Cagayan Special Economic Zone Freeport. Today LRWC is a recognized leader in providing leisure and gaming options throughout the Philippines.

"The uniqueness of LRWC is that we have integrated casinos with resorts in different parts of the country," Benitez says.

The company plans to invest as much as P3 billion (\$73 million) in a \$1 billion casino venture with Sy-led upscale leisure developer Belle Corp. and the Macau casino firm Melco Crown Entertainment.

Playing a significant role in the Philippines' growth, Pagcor regulates the gaming industry in the country while raising revenues for socio-civic and national development programs. Wholly owned by the government, Pagcor posted a phenomenal \$0.76 billion gross income from January to September this year. This is a hefty income growth

of \$0.15 billion over the \$0.65 billion earnings of the agency for the same period in 2011.

This stunning performance is attributable to Pagcor's new management, which has been in office since July 2010. Between then and September of this year, Pagcor has already posted record-breaking monthly revenues 12 times. Under its new management, Pagcor posted a total income of \$2.04 billion from July 2010 to September 2012, of which half has been given to the Treasury for national projects.

"Our efforts to provide patrons with better gaming and entertainment offerings and modernization of our gaming facilities and equipment are translating to higher revenues," says Pagcor chairman and CEO Cristino Naguiat Jr. "We also exercise prudent fiscal management in all aspects of our operations and will continue to observe transparency and integrity in the way we conduct our operations."

Pagcor operates 13 casinos in major cities across the Philippines' three major islands, but is now gearing up for its largest win to date: as regulator of four mega-integrated resorts that will rise in the billion-dollar Entertainment City project.

Touted as the next biggest attraction in Asia, this fully integrated complex in beautiful Manila Bay will feature dazzling gaming and entertainment venues, as well as luxury hotels, shopping, and restaurants. It will go a long way to redefining the Philippines as a world-class tourism destination and duplicate the success of Macau and Singapore.

As Naguiat says, "Each of the four proponents has committed a minimum investment of \$1 billion, and we are estimating that each resort will have the capacity to accommodate a million tourists. The country's tourism officials are hoping to attract 10 million tourists by 2016 and Entertainment City will provide close to 10% of that."



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great patient experience.

Among the preparatory works being undertaken is the construction of a skyway that will link the state-of-the-art complex to Manila's international airport. The project is being funded by the four proponents of Entertainment City. "With renewed investor confidence, Pagcor hopes to help the government attract more foreign direct investment (FDI) in the amusement, gaming and tourism industries through Entertainment City," Naguiat says. "Through this project, we are also optimistic that Pagcor will be able to raise more funds for our government and contribute more to nation-building by engaging in high-impact education and grassroots sports initiatives."

### Building Up the Economy

The real estate sector is, in the meantime, enjoying an unprecedented boom. Thanks to the growing value of remittances from the 11 million or so people working abroad, large BPO investments, and a burgeoning consumer class, demand for housing in all price segments is rising not only in the established cities of Manila and Cebu but also in the provinces. The rise in tourism will contribute to the increased earnings of real estate companies, as well as to the growing numbers of PPPs being cemented in the infrastructure sector.

**"I believe the Philippines will continue to grow even stronger."**

*Manuel Villar, Founder, Vista Land and Landscapes*

Vista Land & Landscapes Inc. is the Philippine's largest homebuilder. Incorporated in 2007 and listed on the Philippine Stock Exchange the same year, the company is the market leader by far in terms of total number of houses built, having constructed more than 200,000 homes in 28 provinces and 60 cities and municipalities in Luzon, Visayas, and Mindanao.

The company ranks among the top listed property firms in the country in terms of total assets, earnings and market capitalization. With well-known and distinct brands, Vista Land caters to all income segments in the different provinces of the country, with prices ranging from \$17,800 up to \$1,100,000.

Vista Land has demonstrated its continued confidence in the Filipino market through its plans for further expansion into new areas in the country. With the widest geographic reach among all property developers in the Philippines, the company continues to consolidate its brands. "I am very confident about the Philippine economy," says Manuel Villar, founder of Vista Land. "All the economic indicators are good, so I believe the Philippines will continue to grow even stronger than it has in recent years."

"Vista Land is a construction giant, not just in term of resources, but in term of opportunities. In recent years we have been active in the condominium market. We have done a great job in Metro Manila, but now we are building in the countryside. There are challenges to building in rural areas. There are logistical issues with the shortage of contractors and suppliers, and you have to deal with different local governments and provincial officials, but we are working hard and succeeding. We also have plans to build 50 small malls, or what I call "smallis," in five years in rural areas, to serve local populations. Through those new projects, we are present in the construction, leasing, and retailing sectors, and helping Filipinos achieve their dreams."

### Redefining Work

The Net Group (TNG) has carved its own niche in the commercial market of Bonifacio Global City (BGC) by making tech-savvy buildings with a boutique-like atmosphere. These unique boutique I.T. office spaces serve as corporate global headquarters or worldwide support services for Fortune 500 companies, and that makes them a highly viable choice for the international community. The entire portfolio takes up more than 50% of prime lots in the PEZA IT Zone—an initiative that gives certain foreign companies attractive tax incentives.

As the pioneer developer in BGC, the company adheres to a simple formula for success: namely, to provide a product that is on par with international standards coupled with personalized service.

"We are advocating a philosophy," says TNG's founder and chairman, Jacques Dupasquier. "We want to offer people who work here an environment that is both professional and makes them happy to be at work. We deliver prime real estate with a lot of value added. The TNG brand was created with the concept that the developer becomes more than just a landlord by providing hospitality-oriented services to the tenants."

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With TNG's current portfolio of six boutique IT office buildings totaling over 2.1 million square feet, 100% leased, the idea has proven to be a success. "Happiness at work increases productivity and fosters loyalty. People tend to stay longer when they are satisfied," Dupasquier explains. One of the company's strengths is to anticipate what the market needs, and to work with the client to provide for their wants. "Long before 'boutique' became a trend, we were already delivering boutique office space. We do not just deliver on international expectations, because technologically we are as good as it gets, and we do it all with Asian hospitality," Dupasquier says.

Net Lima, TNG's latest green building, was designed by award-winning Miami-based green architect Chad Oppenheim, and is the pilot project for the Philippine Green Building Council's rating system BERDE. This reinforces the company's commitment to the environment. Due to popular demand, the tower is fully leased; any prospective tenant who wants a space will now have to wait until 2015, when TNG's next tower, Net Park, is completed. TNG's standing in the real estate game has always been about the tenant, and the company's success is a testament to its reputation.

The government has put infrastructure development at the heart of its growth agenda, and the private sector is seizing the opportunities, many of which are coming in the form of lucrative PPPs. Globalport 900, Inc. is a Philippines-based holding company that primarily invests in companies engaged in the ports industry.

In 2011, the company was 98.84%-owned by Sultan 900. In April this year, it acquired 100% of Platinum Dredging Inc., a domestic corporation in the construction business related to ports, as well as 96.32% of Harbour Centre Port Holdings Inc., a domestic holding company that owns 68.112% of Harbour Centre Port Terminal, Inc.

## "My grand vision is to create a Philippine seaport highway."

Michael L. Romero, Chairman, Globalport 900 Inc.

Globalport operates in the 25-acre multipurpose port terminal inside the port-city complex called the Manila Harbor Center; it is strategically located within the heart of Manila's port district. The port sector is a principal focus of an economy characterized by maritime trade and commerce. Almost 98% of raw materials and products imported and exported by the country are brokered through maritime exchanges. Globalport is engaged in the provision of advanced port-facility equipment, managed by seasoned professionals with proven expertise in port management to ensure the best utilization of resources and deliver efficiency to its clientele.

"My grand vision is to create a Philippine seaport highway, which will link my network of ports across the 7,107 islands of the country," says Michael L. Romero, chairman of Globalport 900 Inc. "This means domestic and foreign trade could move freely and easily around the country without any logistical hassles, bringing the costs of goods and services lower than what they are today. Right now, I operate two of the biggest ports in Manila (Manila North Harbor and Harbour Centre) and the Port of Zamboanga in the southern Mindanao hub. Once I put more ports within the Visayas and Mindanao areas, I can link the whole country with a more professional and reliable network of logistics, shipping, and port-related activities. At the end of my business practice, there will be a solid network of products moving within the country and in and out of any ports that I operate." ●



Perspective of Suló Riviera Tagaytay, Cuevas' latest project.

## The Cuevas Group—Ambassador Is an Inspiration to Local Entrepreneurs

A Filipino conglomerate with interests in construction, real estate, and hospitality and services, Cuevas Group of Companies founder Ambassador Felimon Cuevas has shown that hard work pays off. Born in a poor village in the Cavite province, the ambassador had to abandon his studies at a young age to take care of his family.

"In the early days, I worked from morning until midnight," he says. "From a small store, the big turnaround came when my brother put me in charge of his gas station. I did everything, from managing it to the pumps. I was in my early 20s then, and I succeeded in making it profitable. I eventually set up my own station and served the Clark Air Base during the Vietnam war. Gasoline gave me my first break, and I just went from there." Today the ambassador serves as an inspiration to would-be Filipino entrepreneurs. As the name behind the Suló Riviera—one of the capital's most impressive hotels—and a host of other new developments, Cuevas is determined to stay ahead of the game in what is rapidly becoming one of the most sought-after investment destinations in the world. Having recently completed the renovation of the impressive Quezon City landmark, Cuevas is now looking at ways to expand on Suló Riviera's deluxe rooms and suites, as well as to launch a residential project in a prime part of Manila. Cuevas outlines his go-getting philosophy.

"I have experienced so much and been involved with different kinds of businesses, and I consider myself an opportunity-grabber," he says. "For that reason, the company plans to concentrate on real estate for now. Our latest move is to parlay the Suló brand within a stylish, 12-story condo-hotel concept in Tagaytay City, the construction of which is set to finish by December 2013. The Suló Residences, a 30-story residential project in Manila, is also in the pipeline. Our affordable prices will, we hope, prove tempting to the Filipino diaspora keen to invest back in their home country."

With the day-to-day management of the group passed to younger members of the family, the humble octogenarian now helps others set up small businesses. "Family businesses and SMEs are, after all, the driving force of our economy," he says.



Ambassador Felimon Cuevas  
Founder of the Cuevas Group  
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## Shell in the Philippines—Powering the Nation's Progress

For nearly 100 years, Shell has helped the Philippines embrace the future of energy through its numerous investments in the exploration of natural gas, an oil refinery, and the distribution of smarter petroleum products. It has brought in a diversified energy portfolio and significant market contributions that have helped buoy the overall economic growth of the country.

Leading the 4,000-strong energy company is Shell companies in the Philippines (SciP) country chairman Edgar Chua, who stresses that Shell's investments in the country will continue, given the good business environment.

"We continue to express great optimism and confidence in the reform program of the Philippine government," says Chua. "The business climate has been improving, and good governance is generally practiced. What we really like is that the government understands the concerns of the energy sector."

In the Philippines, Shell operates the Malampaya Deep Water Gas-to-Power Project in offshore Palawan. It supplies around 30% of the country's power-generation requirements through cleaner-burning natural gas. As well as helping reduce the country's dependence on oil imports, Malampaya has also generated



Edgar Chua  
Country Chairman, Shell  
Companies in the Philippines



Signing of a Memorandum of Understanding between Dept. of Energy and Shell

more than \$5 billion in revenues since 2001, and provided the country with a steady revenue stream and considerable foreign-exchange savings for the government.

"We firmly support the government's thrust in finding innovative solutions, such as the implementation of the Malampaya Phase 2 and 3 projects to sustain the level of Malampaya's gas production," Chua says. "We welcome the excellent policies and actions that the Department of Energy has come up with to encourage oil and gas exploration as we continue to look for opportunities to diversify the energy mix in the country, and deliver smarter products and cleaner energy."

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# Energy Companies Light the Way

It is a dazzling time to be in the power industry in the Philippines. With strong incentives and an open business environment, international investors are arriving in ever-greater numbers.

**W**ith indigenous resources that include gas, coal, and oil, as well as a huge potential for renewable energy in the form of ocean, geothermal, and wind power, the Philippines is the go-to country for energy companies looking for strong returns on their investments.

In a trend that industry expert Richard Tantoco of the Energy Development Corp. (EDC) has likened to the California Gold Rush of 160 years ago, international mining, oil, and gas companies are arriving in droves to take advantage of an open and egalitarian environment, joining the more established companies. With demand for energy slated to rise by 3.4% this year, the need for more affordable, indigenous fuel is paramount for the country's future development.

Part of the reason the Philippines is attractive to foreign energy companies like Shell, which has been in the country for almost a century; Chevron, which is developing geothermal facilities and gas exploration; and AES which is currently generating between 1,200 and 1,500 megawatts of power, is because it has had a fully deregulated market since 1998, with no governmental influence on prices and no subsidies. The current administration has established a longer-term energy plan of 25 years to ensure sustainable solutions are adopted.

"We have a wonderful and competitive platform for oil and gas, and incentives in renewable energy for those that are interested. And they can be 100% foreign-owned," says former Energy Secretary Jose Rene Almendras, who was promoted to cabinet secretary responsible for implementing President Aquino's 16-point agenda and the Philippine Development Plan (PDP) in November 2012.

"In 2011, we announced that we were going to provide a level playing field, where international companies could compete without fear of special favors or preferences. We had over a hundred compa-

nies from all over the world making investments—and we are delighted they are coming back."

Local companies have also found deregulation reassuring. As Richard Tantoco, president and COO of the EDC, explains: "We have a very transparent regulatory process in the Philippines. What we have seen is the rise of local companies. They are able to raise capital and undertake huge projects primarily because the financial institutions see that there is a regulatory agency that approves tariffs and agreements, and projects do move forward."

**"The Philippines has a very transparent regulatory process."**

*Richard Tantoco, President and COO of Energy Development Corporation*

Since being privatized in December 2007, EDC has been 100% successful in its efforts to acquire government assets at attractive valuations and vertically integrating its operations.

"Our business sits at the happy intersection where doing what is right for our planet is identical to doing what is right for our business. Our geothermal operations have substantially reduced the country's dependence on imported oil," Tantoco explains. "When you look at our Asian neighbors, they are able to provide power at cheaper prices because they have incredible amounts of indigenous energy. They have huge coalmines, gas fields, and oilfields. They sell locally at a fraction of the price they export. We do not have that luxury in the Philippines. Our topography is volcanic, which means we have less hydrocarbon sources of energy."



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 Manila, Philippines  
[rapu-rapumining.com](http://rapu-rapumining.com)

One of the companies to rise up in recent years is Phoenix Petroleum Philippines Inc. (PNX), now the leading independent, and fastest-growing, oil company in the Philippines. Since its first station was erected in 2005 in the southern region of Davao, it has expanded northward to build a network of retail stations and commercial and industrial clients nationwide.

## "This growth is built on real structural and economic reforms."

*Dennis Uy, President and CEO, Phoenix Petroleum Philippines Inc.*

The company's operations are divided between terminal and haulage services and trading. Under trading, PNX offers its refined petroleum products and lubricants to retailers and industrial customers.

"Before 1998, the oil distribution industry was regulated, and there were only three players," says president and CEO Dennis Uy. "Although I was not involved in that industry, I saw an opportunity to create a niche for my company. Slowly, and driven by our passion to succeed, we grew and in 2007 launched an IPO, which allowed us to expand and have fresh capital. Investors believed in our business model. Many factors have influenced our growth, like an increase in the number of cars on the roads, but in the end, our success has come about because we moved into a deregulated industry."

"The growth in the country is built on real structural and economic reforms, as well as the personal successes of millions and millions of Filipino employees."

"At Phoenix, we found a combination of speed, creativity and knowledge, as well as financial, technical, and marketing competence that will form the basis of the future of the downstream petroleum industry here. There are challenges, but we are ready to face them. In the next five years I would like to expand our market and consolidate and extend our model of entrepreneurial sustainability. That will allow us to challenge some of the multinational corporations for market leadership here. We've planned to grow organically, but if there are opportunities to acquire or do mergers, we will consider them."

As a successful leader, Uy believes in discipline, determination, and perseverance. "We work very hard at knowledge and personal competence development, as well as creating a culture of personal and institutional integrity," he says. "We recently adopted a new corporate vision statement that sums up the character and behavior and will ensure our future success: 'To be an indispensable partner in the journey of everyone whose lives we touch.'"

## Responsible Mining

Although mining currently only contributes around 1.5% to the total GDP of the country, the possibilities are enormous in this sector. Among Southeast Asian countries, the Philippines' 7,107 islands have the greatest number of proven deposits of metallic and non-metallic minerals. There are therefore plenty of opportunities for the exploration of gold, copper, silver, nickel, and other metals.

Existing mining laws, which allow co-production, joint venture, mineral production sharing agreement (MPSA), and financial and technical assistance agreements (FTAA) for large-scale mining projects, are attractive to investors. The current policy of revitalizing the mining industry has resulted in renewed interest in the industry, and there are

## Leading Geothermal Producer Turns up the Heat to Expand Abroad

Having grown more than 77% in the last three years, Energy Development Corp. (EDC), the largest vertically integrated geothermal company in the world, is just starting to ramp up.

A pioneer in its field, EDC has more than three decades of hands-on experience for the entire geothermal energy development process that will give it precedence as it vies for markets overseas that favor clean and green energy.

As EDC president and COO Richard Tantoco explains, "We are expanding internationally. We generate a cash flow of around \$400 million to \$500 million a year and will use this war chest to fuel our growth. We are looking for partners to grow with—like-minded institutions that are eager to bring reliable and clean base-load electricity to the world."

EDC has already planted the seeds for its future growth as it ventures into Chile, Peru, and Indonesia for the acquisition of a portfolio of prime geothermal concessions. EDC is also open to partnership opportunities with entities that may already possess promising concessions in attractive markets but that lack either financial capital or technical expertise, or both.

According to Tantoco, out of the many countries with geothermal resources, approximately 20 have the high-temperature geothermal resources EDC is looking for. "For now, we are focusing on Chile, Peru, and Indonesia. We like their economic stability and legal frameworks," he says.



**Richard Tantoco**  
President and COO, EDC

On the home front, EDC's 36-year head start in geothermal development has clearly given it the advantage over other Philippine conglomerates that have just joined the renewable-energy bandwagon.

"When the renewable energy law came into effect in 2009, there were a lot of developers thinking they could do a project, but then realizing it wasn't that easy given the high front-end risks," Tantoco says. "We had many of them approach us to take over their transactions. In our case, de-risking geothermal projects is something our organization and people have done and are comfortable doing."

Domestically, EDC is poised to grow even bigger, with at least 230 megawatts of expansion opportunities from within the geothermal steam fields where it currently operates. EDC also has eight promising green-field concessions at the exploration stage.

"There is a lot of potential and there will, of course, be challenges along the way," Tantoco says. "The progress at which the projects will be moving will be asymmetrical, with some moving faster than the others. We are simultaneously developing multiple projects—and our roster of projects is very attractive."

**Energy Development Corporation**  
Manila, Philippines | [www.energycorp.ph](http://www.energycorp.ph)



huge incentives for investors, as well as a large pool of Filipino professional geologists and mining engineers who have extensive experience in mineral exploration and mining operations.

With investments in the mining sector set to reach \$17.4 billion by 2016, and the government stepping up its efforts to streamline the permit process, the Department of Environment and Natural Resources (DENR) will be ensuring investors comply with the regulations.

"Our mining potential has always been high, but we want to do it properly," says Ramon Paje, Secretary of the Department of Environment and Natural Resources. "The balance between investment and the environment is so critical to us that even as we go for a \$17 billion or even \$20 billion target, we will make sure the companies are clean. Our water levels, biodiversity and marine life are crucial to tourism, so they will be highly protected."

DENR is currently directing companies to develop downstream industries within a time frame of five years, after which time it will halt the export of raw ore and encourage ore processing.

Some companies are already installing processing plants, Paje says. "The only obstacle they face now is the cost of power here, and we are addressing that. Most firms set up their own power plants, as it is cheaper for them. Mining is the only industry where we allow 100% foreign ownership, and that is the beauty for foreign investors."

Mining has never been as challenging as it is today. It is truly defining its direction toward sustainable development, thereby increasing its contribution to nation-building and poverty alleviation, especially with the issuance of Executive Order No. 79, a hallmark of sustainable development policy that institutionalizes reforms in the mining sector.

DENR's mission also includes poverty reduction. As Paje explains, natural resources are degraded and depleted by the use of crude

## Championing a Grassroots Approach to Growth

They say that with every crisis comes opportunity, and there can be no better example of that in the Philippines than Phinma Corp. Having been an avid purveyor of heavy industry from its foundation until the late 1990s, the company found itself struggling in the Asian financial crisis of 1997. Fortunately, foreign investors were taking an active interest at that time, and the firm's cement business was sold to Swiss building materials giant Holcim.

As Ramon R. del Rosario Jr., Phinma's president and CEO explains, a new strategy had to be devised, and what evolved was a vision to better the lives of the population at large. "We decided to put our resources into the development of the Filipino people," del Rosario says. "We own three universities and a college, which have a total of 26,000 students and offer inexpensive, high-quality courses that lead to jobs like accounting, engineering, and IT. We build affordable condos and no-frills hotels. Ours is the classic 'bottom of the pyramid' approach."

With former Minister of Energy Francisco Viray now on board, power—including renewable energy—is fast becoming Phinma's main industry. It is also investing heavily in business-processing outsourcing. "It's time for investors to take a good look at the Philippines again," del Rosario says.

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# GROWING

## INFRASTRUCTURE DEVELOPMENT

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Philippine Stock Exchange: l-r: Nestor Tan, Teresita Sy-Coson & Hans Sicat (far right).

technology and over-exploitation by the poorer people, so a mammoth project—the National Greening Program (NGP)—has been launched in an effort to manage the resources better.

"We have 20 million people living in the upland areas exploiting our natural resources," he says. "Every time a child gets sick, they see the standing timber as medicine. Every time their family is hungry, they see it as food. People will do what they need to do. Under the NGP, however, we are trying to take their attention out of the forest. We are giving them coffee and cocoa seedlings to plant, so that within

three years they will have a different livelihood. We will still reforest, but we will give these people plantation areas as well."

As far as investors go, Paje is convinced the climate has never been better. "The beauty of the Philippines right now is the predictability of the process. We have a very level playing field and have eliminated all transaction costs," he says.

The Rapu-Rapu Polymetallic Project (RRPP) was the first mine set up after the Philippine Mining Act of 1995 took effect. Producing copper and zinc concentrates, with gold and silver byproducts, the mine is situated at the southeastern tip of the island of Rapu-Rapu, about 28 miles from Legazpi City, Albay province. RRPP is the largest private enterprise in Albay, with investments of more than \$100 million. Together with its contractors, the mine employs over 1,500 people.

"Mining in the Philippines has had a lot of bad press in the past, and has brought more destruction than development, hence the anti-mining sentiment among the people," says Rogelio E. Corpus, the dynamic president of RRPP. "However, I am seeing a wave of change in the way mining is done in this country. Most companies are now both environment- and people-conscious. This is the only way we can change the perception of local populations."

"We are in a position where we can provide jobs and community development, like improvements to infrastructure, education, and so on. I believe that mining can contribute greatly to the Philippine economy, because it contributes to countryside development. However, it is imperative that mining be done responsibly."

"One has to invest huge amounts of money to find a mineral reserve. It could take 1,000 exploration activities to find a commercially viable ore reserve that can be developed into a mine. It is high risk, but can offer great rewards. Now the better returns realized from mining

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are attracting more Filipino investors to invest in the mining business. The major impact that the Rapu-Rapu Polymetallic Project has had on our host communities is the taxes we pay and the employment we generate. Some 55% of our employees are from Rapu-Rapu island and 78% are from the Bicol area. Only 22% of our employees are from outside of the region."

RRPP puts into operation a Social Development and Management Program (SDMP) financed with 1.5% of the company's annual operating cost. This year, the share of its SDMP is \$1.3 million for projects and programs that will establish or assist in the development of host communities.

**"I am seeing a wave of change in the way mining is done in this country."**

Rogelio E. Corpus, President of Rapu-Rapu Polymetallic Project

"We build schools, we construct and rehabilitate water systems, support electrification, initiate skills training for locals, and put more than 400 students from our six impact villages through secondary school and college. RRPP is firm in executing its Final Mine Rehabilitation and Decommissioning Plan (FMRDP). In fact, prior to our FMRDP's approval, we had established a trust fund and deposited \$3.8 million to finance rehabilitation after we stop operations."

The Mines and Geosciences Bureau (MGB) regional director for Bicol, Theodore Rommel Pestaño, has recognized RRPP's achievement of 10 million man-hours without lost time from accidents. "These two

achievements reassert the significance of RRPP's commitment to best practices in mining as vanguards of responsible mining."

Jose Leviste Jr., chairman of Oceana Gold, a New Zealand company says: "Mining can be green in the Philippines." The company, whose Didipio project in the Philippines has just started commissioning, was the first in the region to be granted an Environmental Compliance Certificate. "We want to be the first greenfield mining company in the country," he says.

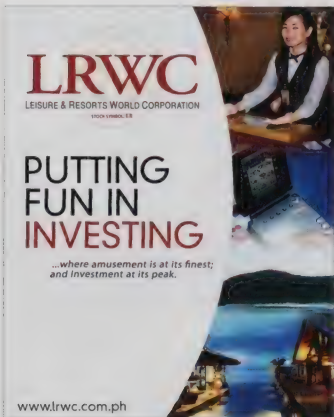
## Healthy Returns

In the meantime, the demands of a growing middle class has led to a boom in private health care. With many doctors and nurses trained abroad, the level of expertise and of English-language communication skills is high, and there has been a surge in the number of diaspora returning to take up posts at home.

Rosalie R. Montenegro, president and CEO of the Makati Medical Center, is optimistic. "The Filipino doctors coming back home is great news. My strategy here has been to combine contemporary facilities with first-class treatment, focusing on key areas in which we are very strong, such as cardiology, neurology and so forth, instead of cosmetic surgery, for instance, in which the Thais are very good. The health care industry in the Philippines is behind in technology generally, but here we do have really advanced medical equipment.

"We have improved the IT aspect, and with it, the systems for billing, collections, and administration. We just bought a hospital information system, and today identify patients with a unique number, so when they come in at any point, we know where they are with their treatment and which doctor has been taking care of them. I come from the banking sector, so I know how to deliver services.

"I also introduced the concept of product profitability, so if a medi-

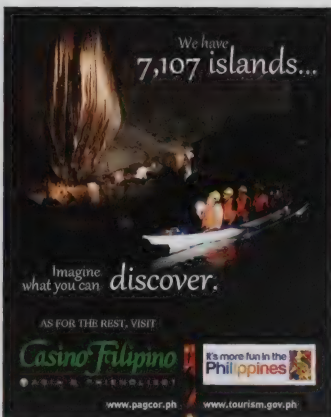


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cal unit wants to buy new equipment, it has to show me that it can make money out of it. We're importing the banking discipline into the health care sector and using our resources in a smarter way."

The state-of-the-art Makati Medical Center now operates complex stem-cell transplants, demonstrating that research and development remains a priority. It is also a teaching hospital, with students frequently undertaking exchange programs with those in the United States.

## "The Philippines is very competitive in terms of price and service."

*Dr. Edgardo Cortez, President and CEO, St Luke's Medical Center*

"I am interested in attracting partnerships with U.S. insurance companies; we are Joint Commission International (JCI)-certified, so our health care treatment is within American regulations. They can save money sending us some of their cases. If I can get the 10% of the U.S. population with serious medical conditions to come here, it means 25,000 more patients, and that's a big number!"

St Luke's Medical Center was the first hospital in the Philippines and the second in Asia to be accredited by the JCI. For Dr. Edgardo Cortez, president and CEO of St Luke's, this has improved the quality of care in terms of technology, and, more specifically, patient safety.

"In the U.S., an estimated 98,000 lives are lost every year from medical errors," he says. "At St. Luke's we are very focused on patient safety, to the point that we have sent 10 clinical and administrative executives to Harvard to learn about it. We were the first to do this and have even developed a patient safety officer course."

"We have also seen an increase in doctors being sent and trained abroad, not just to learn improvements in technology but also to get experience. I don't think this has been done by other private hospitals. The quality of the education in our medical school has improved dramatically. We founded our school more than 10 years ago, and 70% of the students are funded by us."

"We want the Medical School to be the farm from which we get the good doctors for St. Luke's. Research in general is also picking up in the country, and we have seen some private hospitals going into research outside from the university hospital."

"I would say that the health care industry is picking up, following the Philippines' economic improvements, but if you look at the per-capita expenditure of government for health care it is still way too low."

Cortez sees a strong case for the country's future health tourism however. "Medical tourists come for the quality of care, but also for service and the amenities as they are looking to enjoy their stay as much as possible. I think that the Philippines is very competitive in terms of price and services," he says.

## The Tiger Comes of Age

While competition in Asia is rising, there is no doubt that the Philippines has gained its place in the world economy. In 2012, the country was the only one in the world to see its economic growth forecast upgraded by the International Monetary Fund.

As recession continues to loom in Western markets, U.S. investors might well take a good look at this determined Southeast Asian nation. As most analysts and local investors attest, this is a virtuous economic cycle that's here to last. ●

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Outdoor cafés. More fun in the Philippines

Photos: Photography of J. Nida Ranao  
www.morefuninthephilippines.com

More fun in the Philippines

A black and white photograph of a woman's legs from the knees down, wearing high-heeled sandals with thin straps. She is holding a copy of The Wall Street Journal Weekend newspaper. The background is dark and out of focus.

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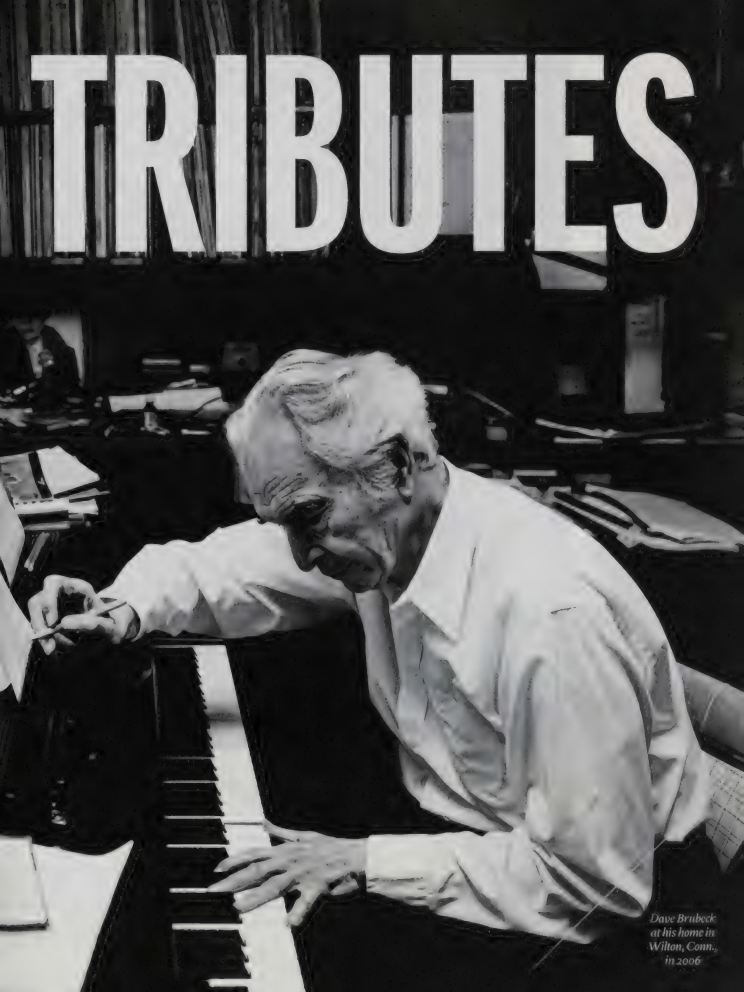
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# TRIBUTES



Dave Brubeck  
at his home in  
Wilton, Conn.,  
in 2006



## DAVE BRUBECK

PIANIST AND  
COMPOSER, 90  
BY HEARST  
STUDIO CITY

Dave Brubeck was a legend, a master who was instrumental in the shaping of modern jazz. People talk a lot about his playing and "Take Five," but let's not forget that he was also an amazing composer. He constructed his pieces not just as tunes but as real compositions: architectural arrangements that were reminiscent of classical works. Even with his strong foundation in the very beginnings of jazz, his mind was always ahead, always reaching beyond the norm. If not for that, he wouldn't have been able to compose "Blue Rondo à la Turk" and other classics on *Time Out*.

He also exuded this warmth in his heart that would pervade the room. I can't even imagine Dave Brubeck with a frown. Whenever I was with Dave, I was thrilled to be around him, but his attitude was always that he was more thrilled to be around me. That's the way he treated people. He was a great mentor and influenced so many musicians. We wouldn't be who we are if it weren't for Dave Brubeck.

*Hancock is an Oscar- and Grammy-winning jazz musician*



*McGovern at a press conference in January 1971, days after announcing his candidacy for President*

## GEORGE MCGOVERN

SENATOR, 90  
BY TOM IACOVILE

▲ In a speech at Wheaton College in Illinois shortly before the 1972 presidential election, George McGovern—World War II veteran, South Dakota Senator and antiwar candidate—told his audience, "I felt called into the work of serving

others. At first I thought that my vocation was in the ministry. And I enrolled in the seminary... After a period of deep reflection, I decided that I should become a teacher. Yet even in my teaching, I still felt that there was something else for me to do. And that is what finally led me into politics."



## DONNA SUMMER

SINGER AND  
SONGWRITER, 63  
BY GIORGIO  
MORODER

▼ The queen of disco did not need an introduction or spotlights on her. She was always the light, the beacon of the beat. She was an idol of R&B, dance, rock and gospel, with five Grammys and an everlasting list of Top 10 albums and singles, including "I Feel Love" and "Love to Love You Baby." *TIME* called the latter hit a "marathon of 22 orgasms." An editor apparently counted. (Donna did not throw herself on the studio floor to get a better emotional angle on the song, as has been rumored.)

We met in Munich, of all places, known for beer and BMWs, not as a center of pop rock and talented African-American singers. I always wanted to record a sexy song, and one day in 1975, Donna stepped into my studio: a former chorus girl in *Hair*, unemployed, out of money and out of love with her then husband. She told me, "Giorgio, I think I got something." It was "Love to Love You Baby." She sang, she moaned. I tried to find rhythm on my piano. The rest is history. Disco time.

Moroder co-wrote "Love to Love You Baby" and co-wrote and co-produced "I Feel Love"

Later in his speech, he defined what it meant to serve others: "We know that the kingdom of God will not come from a political party's platform. And we also know that if someone is hungry, we should give him food. If he is thirsty, we should

give him drink. If he is a stranger, we should take him in. If he is naked, we should clothe him. If he is sick, we should care for him. And if he is in prison, we should visit him."

That encapsulates his life more than my words ever could.

*Daschle is a former U.S. Senator from South Dakota*



## ADRIENNE RICH

POET, 89  
BY KITA DOWE

▼ I always thought of Adrienne Rich as a Titan, in the Greek-god sense. She was ferocious, strong and steadfast, and she was an extraordinary poet.

After winning major prizes for her early books, she declared that she needed to write in a different way in order to talk about the things that mattered to her. She came out as a lesbian, which was a political act as much as a personal one. Adrienne demon-

strated that you don't separate your life as a poet from your everyday life. She was instrumental in the acceptance of poets' being able to write about what's happening in the world, like war and oppression, breaking down that barrier between what was and wasn't permissible in art.

In her poem "A Long Conversation," she writes, "I am my art. I make it from my body and the bodies that produced mine." That, in a certain way, describes Adrienne, her philosophy and her heart.

Dowe, a Pulitzer Prize winner, was the U.S. poet laureate



## MIKE WALLACE

JOURNALIST, 93  
BY BRIAN WILLIAMS

▲ Few are around who remember the first Mike Wallace: the former actor, *Green Hornet* announcer and game-show host who appeared in cigarette ads and, years later, in a boozy, smoky, nighttime local TV show in New York City during the *Mad Men* era. No one who saw him then would have dreamed of attaching the word *journalist* to his title. Yet he became one of the premier journalists of our age.

On *60 Minutes*, Mike always went after the sweaty, guilty big guy on behalf of the little guy. On camera, he stopped at nothing in pursuit of a sound bite—while off camera, he led a life that was often a painful mix of love and loss and damage. He eventually went public with his struggle with depression so others could know they had a companion in the darkness.

Mike's world at CBS was more like a PBS nature show: he was the rangy lion, and he saw everyone else as a wildebeest with a limp. He smiled, approached and went in for the kill. For more than 50 years, he interviewed, fought and flirted with actresses, dictators, kings, scoundrels and laureates. We won't see his kind again.

Williams is the anchor and managing editor of NBC Nightly News and Rock Center

## RAVI SHANKAR

STRANDED, 92  
BY ZUBIN MEHTA

► I first met pandit Ravi Shankar in the early '60s as he was starting to overpower the Western world with his divine music. He has since been an immense influence on generations of Indian musicians. I remember a concert at Carnegie Hall that went

past midnight—the public just wouldn't leave. He was also intensely curious about experimenting with other forms of music—thus his collaborations with musicians like Yehudi Menuhin, the Beatles and the New York Philharmonic. In the end my Raviji was always his true self, playing with the great Alla Rakha on

the world's stages, never straying from the strictest traditions of Indian classical music. We have truly lost a giant. His musical imprint and legacy will stay on forever.

Mehta is a former conductor of the New York Philharmonic



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\*Based on cumulative total return: 12 of 12, 12 of 12, 12 of 12, 5 of 5, and 7 of 7 of the Retirement Funds for individual investors' retirement time (Lipper average for the 5, 1, 5, and 10-year and ultra-short periods ended 9/30/12, respectively). The Retirement 2010, 2020, 2030, 2040, and Income Funds began operations on 9/30/10; the 2050, 2055, and 2065 Funds began operations on 9/30/11; the 2045 Fund began operations on 5/31/05; and the 2050 and 2055 Funds began operations on 12/31/06. (Source: for data - Lipper Inc.)

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Cornelius at his  
L.A. office in 1996

## DON CORNELIUS

TELEVISION HOST  
AND PRODUCER, 75  
BY QUESTLOVE

▲ There was a time in the '60s when the image of the black teenager came from the news. There was a lot of rioting. There were a lot of marches. And sometimes the nightly news was not a place where you could get a three-dimensional view of a person or a group. Don Cornelius saved the esteem of a race. His *Soul Train* enabled America to see us in a different light, in a celebrative and expressive way. We were granted rights and privileges in 1968, but who was going to soothe your soul and tell you that you were somebody? *Soul Train* was perfect for that.

The *Soul Train* dance line was the most iconic part of the show, the part people couldn't wait for. Before the VCR, you had to learn how to dance, and you had to learn quick. Whatever they were doing, you would emulate, and you would pray to God that you had an awesome memory. You had exactly three minutes and 30 seconds to learn whatever dances you could so that come Saturday night, it would be time to party.

Don Cornelius' lasting legacy will be his sign-off: it summed up this utopian place where different cultures could share "Love, peace and soul."

Questlove is the drummer for and a co-founder of the Roots

## WHITNEY HOUSTON

SINGER AND  
ACTRESS, 48  
BY JENNIFER  
HULSON

▼ I've always said if you want to know how to sing correctly, listen to Whitney Houston. There's nothing else like her voice. It's so pure, so powerful, and her approach was so effortless. No one can duplicate that voice or that sound.

As a little girl, I would listen to Whitney

at home and try to sing with her—create my own little duet. That's all I sang. That's all I knew. At weddings and school assemblies, I would sing "I Will Always Love You" or "The Greatest Love of All" or "You Were Loved." Everything I sang was a Whitney song. Nothing else.

Houston at Newark  
Symphony Hall in  
New Jersey, 1986

CORNELIUS: JEFFREY M. HARRIS/RETNA; HOUSTON: JEFFREY M. HARRIS/RETNA



It was Whitney World.

At the tribute to Whitney at the Grammys, I almost didn't feel right singing "I Will Always Love You" by myself. I wanted to include the entire audience: "Let's all sing together." Because I don't care who you are, where you come from, what type of mu-

sic you sing, what color you are, what age you are—she touched you somewhere along the way with her music, so we should all sing this to her.

*Hudson is a Grammy-winning singer and an Oscar-winning actress*



## MAURICE SENDAK

ILLUSTRATOR AND  
WRITER, 83  
BY TONY KUSHNER

▲ In 1962, Harper & Row published Maurice Sendak's *Nutshell Library*, a tiny box set of four little books, two of which are minuscule masterpieces: the cautionary tale *Pierre* and *Chicken Soup with Rice*, a calendar poem the great and fiercely critical Marianne Moore told Maurice she wished she'd written. But *Nutshell Library* is more magical than the sum of its considerable parts. With its handsomely bound, dust-jacketed volumes neatly nestled in their eponymous nutshell of a slipcover, adorned top to bottom with Maurice's often imitated yet inimitable drawings, it's an exquisite object that even a child too small to be able to read can hold; that's its true point, the source of its potent charm. It's an object designed to be deliciously possessable, intended

by its author to turn any child into a book lover, a book owner, a book fetishist. Maurice wanted to spread the gospel of one of his literary heroes, Herman Melville (the title of whose novel *Pierre* Maurice incorporated into his *Library*), who saw that a book can be "a planet on a table." We hold books, and books can hold, or at least enfold, the world.

Maurice adored books and railed against their replacement by downloadable digital files. He lived to create books—there are more than 90 for which he supplied pictures and/or words—and now, having left the world, Maurice Sendak, a sublime artist and a splendid, delightful man, resides entirely, and probably immortally, within the books he created. He's always worth a visit. Look for him there.

*Kushner is a Pulitzer Prize-winning playwright and the screenwriter of Lincoln*



Specter in his  
Washington  
office in 2005

## ARLEN SPECTER

SENATOR, R-2  
BY JOE BIDEN

▲ Arlen Specter had exceptional character. We saw it every day of his life. Some of my best memories come from just sitting with him on train rides home. We learned so much about each other's families that you'd think we grew up together. And for almost 40 years, we worked together on everything from Supreme Court nominations to bills that fought crime. On every issue, it was a privilege to watch and learn from Arlen.

He had an unshakable commitment to people in need. That's why he worked so hard for groundbreaking medical research. He fought to give them hope, and today, Arlen's legacy includes the numberless people who will win their battles with illness. If God had given him more time, he probably would've just kept on fighting, because I've never seen a man with more physical and political courage. He believed that if you just worked hard enough, you could change the world. And so often, he did.

*Biden is the Vice President of the United States*



## SALLY RIDE

PHYSICIST AND  
ASTRONAUT, 61  
BY TAMMY  
SMITH

▲ Intelligent, versatile and exceedingly competent, America's first female space voyager blasted through the glass ceiling in a rocket ship, encouraging women and girls to follow her through.

At a time when the U.S. was grudgingly yielding to women's demands for equality, Ride blazed

## RAY BRADBURY

AUTHOR, 91  
BY DAMON LINDELOF

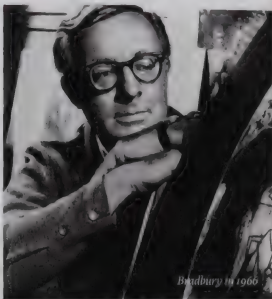
▼ "Mysteries abound where most we seek for answers." When I first read this quote, I found it both accurate and frustrating, a condemnation of shaggy-dog stories yet an invitation to tell them without apology. How fantastically Bradbury.

Ray was a fanboy before the term existed. He cited H.G. Wells and Jules Verne as inspirations for his own bravura storytelling, which transcended the science-fiction and fantasy genre by infusing it with a unique secret ingredient: humanity. From

the vast deserts of Mars (*The Martian Chronicles*) to a dystopia committed to eradicating literature (*Fahrenheit 451*), Ray's stories were about creating not incredible worlds but credible ones. He populated them with characters we cared about—and often, we realized we were looking at a slightly distorted reflection of ourselves.

All this and a sense of humor too. Often confused for his friend Gene Roddenberry, Ray gave up on correcting people who credited him with *Star Trek* and simply responded, "Oh, I'm so glad that you like the show. I wrote it for you."

*Lindelof is a screenwriter and producer*




Bradbury in 1960

a path—not because anyone gave her a break but because she was that good. She moved a generation that was ready to move.

In death she eloquently sent a new message of equality by acknowledging her longtime partner Tam O'Shaughnessy. She revealed that her commitment and dedication

started at home, with her chosen family. Her quiet leadership has added to the voices that are shattering the next glass ceiling. Americans are again ready to follow Sally Ride through.

*Smith is a brigadier general in the U.S. Army Reserve*



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## DICK CLARK

RADIO AND TV  
PERSONALITY, 82  
BY RYAN HARGREST

Like everyone else, I was always a huge Dick Clark fan. I was aware of his stardom and how comfortable he was in front of the camera. Whether it was *American Bandstand*, the *Pyramid* game shows or *Dick Clark's New Year's Rockin' Eve*, which he hosted and produced for 40 years in Times Square, he never lost his sense of touch for putting everyone at ease.

He also revolutionized popular music by doing something bigger than just putting on a show: many of the artists who performed on *American Bandstand* changed the fabric of our culture. The show featured over 10,000 live performances, showcasing brilliant artists such as Ike and Tina Turner, Smokey Robinson and the Miracles, Stevie Wonder, Talking Heads, Prince and the New Power Generation, Jerry Lee Lewis, Johnny Cash and countless others.

When I arrived in Hollywood, the fact that it was just a late-night L.A. radio DJ didn't stop me from giving my idol a call. I was pretty shocked when Dick agreed to speak to me. But he did and went on to become one of the most important influences in my life. He did small things like sending me handwritten notes of encouragement when I hosted a raw show. And he did big things too. When I joined his New Year's Eve broadcast in 2005, it was amazing to be on the stage with him. He made dreams come true, and I miss him being a part of mine.

*Seacrest is a TV and radio host and producer.*

*Clark amid teenage dancers on American Bandstand in 1958*

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## NORA EPHRON

WIDER AND  
DEEPER 71  
BY AMY  
WOLLTZER

▲ I once went out to dinner with Nora and a few friends. The salad on the menu had candied walnuts, back when candied walnuts were a recent phenomenon. Everyone was ordering the salad because of the walnuts. When the waiter got to Nora, she asked for double walnuts. It wouldn't have occurred to the rest of us to do that—to ask for a little more from life.

She was constantly handing out her own version of double walnuts. She was very generous to many people—most of all to young female writers—advising and supporting them in their endeavors.

Nora was an important feminist. She became a film director when there weren't many women doing that, and in all her work, she told the truth about women's lives. She made her friends and admirers want to be better. We have to be better on our own now, but it was so much fun when Nora was around to help.

Wolltzer's novel *This Is Your Life* was adapted for the screen by Ephron in her directorial debut, *This Is My Life*

## NEIL ARMSTRONG

ASTRONAUT, 82  
BY ADAM  
STELLEZNER

▼ When I was 6 years old, on a warm July evening, I heard my father yell from inside our house, "Get in here quick and see this!" My brother and I ran inside, and there in our living room, on our black-and-white television, was the grainy image of Neil Armstrong stepping off the lunar excursion module and onto the moon. The excitement I felt that night has stayed with me for life. That my memory of it is so strong, down to the scent of the garden

Armstrong at  
Tranquility Base,  
July 20, 1969



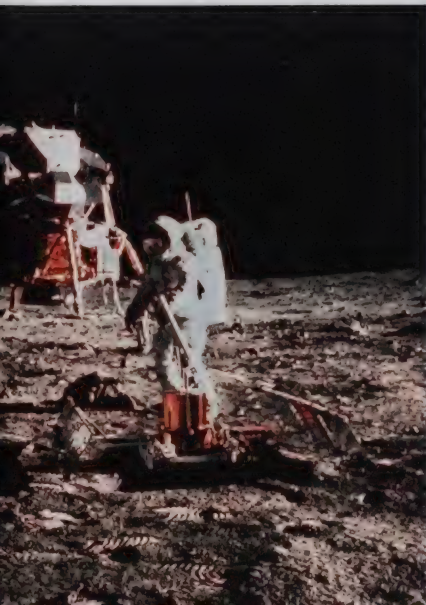
flowers in the air, is something I share with a huge number of the humans who were alive at that moment. The words that Neil chose to say, "One small step for a man, one giant leap for mankind," were perhaps truer than anyone could have imagined, for with that footstep, he was carrying us with him.

Mankind became a little bit more that day, a little bigger and bolder and a bit more self-

aware—that footprint so tiny against the backdrop of our growing understanding of the universe. With his footstep, Neil made us more, and it is natural that many of us would love him for that. It also must have placed an unimaginable burden on him, the likes of which none of us can know. But that I can only speculate about that burden is a testament to how well he shouldered it. Neil always felt he had been doing a job, just like everyone else. He

did that job perhaps better than anyone could have hoped or imagined. Neil Armstrong will be remembered as noble and inspiring, the man chosen to carry us with him, and I will always wink at the moon and remember him.

*Steltzner led NASA's Mars Curiosity rover landing team*



TOP: MICHAEL O'NEIL; CORNELL OUTLINE; ARMSTRONG: NASA; SHAMIR: MICHAEL BAKER/MAGNUM



## YITZHAK SHAMIR

ISRAELI PRIME MINISTER, 60  
BY DENNIS ROSS

▲ Yitzhak Shamir was risk-averse by nature. He often treated Israel as if it were a bank account and his job was to not draw down its capital. This cautious Prime Minister kept Israel out of the Gulf War in 1991 when Saddam Hussein sought to make Israel the issue. The pressures within Israel on Shamir to carry out attacks on Iraq were immense. But Shamir held firm, believing it was better not to play into Saddam's hands by creating an Arab-Israeli conflict. That took courage.

Similarly, this cautious, seemingly reluc-

tant leader decided to go to the Madrid Peace Conference in 1991. Instinctively, he doubted peace was possible. His Israeli critics say he had no intention of seriously negotiating, and judging by the instructions he gave his negotiators, they may have a point. But he knew he was setting something in motion. He felt there were big decisions that had to be made for Israel's future—and he was glad they would come after him. His role was to keep Israel strong until that point, and he did.

Ross is a U.S. diplomat who served as Middle East envoy under President Clinton

*Shamir flying over the Negev Desert after visiting new settlements in 1984*



## CHRIS STEVENS

DIPLOMAT, 52  
BY HILLARY CLINTON

▼ When Chris Stevens first took the Foreign Service Officer Test, he was asked to compare American democracy and jazz music. A friend remembers spending hours discussing the question. Later, he would come to think of Chris as a kind of "jazz diplomat," and not just because he played the saxophone. Jazz musicians master the technique and then begin to improvise. Their art lies in the space between structure and spontaneity. That was how Chris approached diplomacy.

He found his second home in the Middle East. He climbed the Atlas Mountains,

wandered through Syrian suqs and jogged through Libyan olive groves. When the revolution broke out in Libya, Chris arrived on a cargo ship. He read memoirs of former Libyan leaders and delighted in cracking jokes, not just in Arabic but also in the local dialect. After Chris was killed in the attack on the U.S. diplomatic post in Benghazi, thousands of people poured into the streets to mourn. Some held signs that read, "Chris Stevens was a friend to all Libyans."

Chris understood that there is no substitute for American leadership, especially in the hard places where our interests and values are at stake. He represented the best traditions of a bold and generous nation. And we are safer and stronger because of his service.

Clinton is the 67th Secretary of State of the United States

## ADAM 'MCA' YAUCH

FOUNDING MEMBER OF THE BEASTIE BOYS, 47  
BY MARSHALL MATHERS

▲ The first video I ever saw from the Beastie Boys was "Fight for Your Right." It had an instant impact on me. Loving hip-hop so much as a kid, I had at that point messed around with some rhymes here and there, but I don't think I ever fathomed becoming a rapper. They made me realize it was possible. Their attitude translated as "We're going to do what we're going to do, regardless of how you feel about it."

Adam had the drive to do what he believed in—from supporting causes like Tibetan independence through his Milarepa Fund to pushing boundaries in music and pissing people off, if that's what it took. Even his voice was so different from that of any rapper out there. He always followed his own path.

*Mathers is a rapper best known by his stage name, Eminem*



## BENZION NETANYAHU

HISTORIAN, 102  
BY ELIE WIESEL

◀ Ben Zion Netanyahu was best known as the father of Israeli Prime Minister Benjamin "Bibi" Netanyahu. But he also earned a well-deserved reputation as a historian. His studies focused on the Jews of Spain before and during the Inquisition; his books brought him uni-



versal acclaim. He taught at Dropsie College at the University of Pennsylvania, but being far from Israel did not prevent him from taking part in the life of the Jewish state. He situated himself on the right, always. He was against the Oslo accords and an independent Palestine. The peace process was not to his taste.

Fatherhood brought him happiness and sorrow: Bibi's election as Prime Minister made him proud, but his son Yoni was killed in action during an IDF hostage-rescue mission in 1976. That melancholy could never be erased.

Wiesel is a writer and Nobel laureate



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Tom

# SANDY HOOK ELEMENTARY SCHOOL

'THESE 20 CHILDREN  
LIT UP THIS COMMUNITY  
BETTER THAN ALL THE  
CHRISTMAS LIGHTS WE HAVE.  
THERE ARE 20 BRIGHTER  
STARS IN THE HEAVENS.'

—Monsignor Robert Weiss of  
St. Rose of Lima Catholic Church  
in Newtown, Conn., paying  
tribute to the first-grade students  
killed at Sandy Hook Elementary  
School on Dec. 14; six staff  
members also lost their lives



CHARLOTTE BACON, 6 • DANIEL BARDEN, 7 • RACHEL DAVINO, 29 • OLIVIA  
DAWN HOCHSPRUNG, 47 • MADELEINE HSU, 6 • CATHERINE HUBBAR  
GRACE MCDONNELL, 7 • ANNE MARIE MURPHY, 52 • EMILIE PA  
JESSICA REKOS, 6 • AVIELLE RICHMAN, 6 • LAUREN ROUSSEAU, 30 • MARY SH

*Wooden angel figures placed beside  
a road near the school memorialize  
the victims of the shooting.*

**Photograph by Mike Segar**



EL, 6 • JOSEPHINE GAY, 7 • ANA MARQUEZ-GREENE, 6 • DYLAN HOCKLEY, 6  
• CHASE KOWALSKI, 7 • JESSE LEWIS, 6 • JAMES MATTIOLI, 6  
ER, 6 • JACK PINTO, 6 • NOAH POZNER, 6 • CAROLINE PREVIDI, 6  
ACH, 56 • VICTORIA SOTO, 27 • BENJAMIN WHEELER, 6 • ALLISON WYATT, 6

# A SYSTEM OF INNOVATION

Building on a strong base in Japan, NTT DATA is getting ready to revolutionize the global market for IT services.

**A** **N EFFECTIVE LEADER** knows the importance of setting clear goals. Just ask Toshio Iwamoto, president and CEO of NTT DATA, the IT services subsidiary of Nippon Telegraph and Telephone Corp., the Japan-based telecommunications giant ranked 29th in 2012's *Fortune* Global 500. "Our aim is to be a top five player in our industry by 2015," he declares. "It's a challenging but achievable target."

Iwamoto has every reason to be confident. After all, NTT DATA has 40-plus years' experience in developing and managing large and complex social infrastructure IT systems for the Japanese government like customs, social security, and air traffic control, and payment systems for the financial sector and individual companies.

NTT DATA has been a global player since it helped big-brand Japanese companies push into overseas markets in the early 1980s. Now, with Japan's domestic economy maturing, NTT DATA itself is actively going abroad in the quest for exponential growth. Overseas

opportunities will be key to generating the extra \$2.5 billion in annual revenues that separate NTT DATA—currently ranked No. 6 in the IT services sector worldwide—from its fifth-ranked competitor. "We mean to grow overseas by finding the right balance between acquisitions and organic growth," Iwamoto states.

## International Operations

The company already has a big global footprint: Around 27,000 of the firm's 60,000 employees are based outside Japan and \$2.5 billion (¥208 billion), or 17%, of a total \$15.3 billion (¥1.25 trillion) in sales comes from international markets. The firm has offices throughout Europe, where NTT DATA EMEA offers IT services and consulting, while Germany-based group company intelligence AG is a leading SAP solutions provider. Meanwhile, it is turning a string of U.S. acquisitions—including the 2011 purchase of Keane Inc., a Boston-based IT services firm specializing in cloud computing—into a springboard for a major push into the U.S. "The U.S. economy is robust," comments Iwamoto. "Silicon



**TOSHIO IWAMOTO**  
President and CEO  
NTT DATA

Valley is the center for innovation in IT products and services. I go there several times a year."

Another targeted growth market is China. Although its current role is as an offshore development center for NTT DATA, Iwamoto firmly believes in its future market potential. "It's a big country with a huge population, resources, and a developing interior. There's plenty of internal demand to drive growth," he says. "We want to leverage our strengths there, especially in financial systems."

## Organic Growth

Southeast Asia offers similarly upbeat prospects. The strategy there is to build bases in the individual countries and grow organically with them by providing social infrastructure systems

tailored to their evolving needs. "It will take a while for emerging markets to contribute meaningfully to revenues and profits, but we're taking them very seriously indeed," he says.

Iwamoto is equally quick to list the reasons why foreign governments and companies should take NTT DATA seriously. First, there's the firm's impressive track record in Japan. Second, its systems are all developed and managed according to Japan's famously rigorous quality standards. Third, and most radically, NTT DATA is working to automate the software development process itself—something that promises to dramatically reduce development times and maintenance and management costs for IT systems. "It's a revolutionary innovation that we're now getting ready to roll out globally," Iwamoto concludes. ☉

[illegible]

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# JOEL STEIN THE HARDEST CHOICE: 2012'S COOLEST PERSON OF THE YEAR

IF YOU HAD ASKED MY CLASSMATES in high school if they thought I would someday be in charge of picking the Coolest Person of the Year, they would have said, "You mean in charge of sitting all alone in his house typing about a famous person he doesn't know? That sounds about right."

But they would be wrong. In fact, the Coolest Person franchise, which is the kind of attention-grabbing journalistic endeavor you'd think would get someone a raise, is now officially a group endeavor. To pick the 2012 winner, I assembled what I call the League of the Year, which consists of people who were named the most something of the year. It is by definition the most superlative group ever assembled, and it's now at my disposal. The devil wants to bowl me for my soul? I've got Bowler of the Year ESPY winner Sean Rash. I need to solve a quadratic equation? I'll call National Teacher of the Year Rebecca Mieliwocki. A kid bails on a playdate with my son? I'll just e-mail Playmate of the Year Jaclyn Swedberg.

The only miscalculation I made was not realizing experts tend not to be the broadest thinkers. When I asked whom they thought I should anoint Coolest Person, league member and *Thrasher* magazine Skater of the Year Danny Gonzalez suggested skateboarder Louie Lopez. *Cosmopolitan*'s Bach-

elor of the Year, Cleveland reporter Chris Van Vliet, chose Channing Tatum, *PEOPLE*'s Sexiest Man Alive. Air Guitar world champion Justin "Nordic Thunder" Howard suggested party-anthem rocker Andrew W.K. Laura James, winner of *America's Next Top Model*, nominated herself.

Worse, most of the league members were unfamiliar with the people I was considering, including R&B singer Frank Ocean, Newark Mayor Cory Booker and comedian Louis CK. Though College Photographer of the Year Magnus Holm did suggest Louis CK. And Mieliwocki mentioned Booker as well as Barack Obama, whom I was also considering. Of course, her main choice was "teachers." I was starting to understand how the Nobel Committee wound up giving the 2012 Peace Prize to Europe.

**So after politely thanking** the league for its suggestions, I basically—yes, you jerks from high school—just sat alone at home and picked a celebrity. The 2012 Coolest Person of the Year is a woman who was unafraid to showcase her flaws. A woman who wore less makeup on TV than in real life and purposely shot herself naked in more unflattering ways than a blackmailer would. A woman whose entire persona is based on doing the wrong thing yet who reportedly got

a \$3.7 million advance for an advice book. A woman who made an Obama campaign video centering on a double entendre about losing her virginity to the President. A woman who was nominated for four Emmys and, far cooler, zero People's Choice Awards. A woman who responded to 2010 Coolest Person James Franco's harsh Huffington Post essay criticizing *Girls*, the HBO show she created and stars in, by saying she's a big James Franco fan.

Lena Dunham might lack

swagger and mystery. But she ushers in a second-generation cool for the oversharing era. "She doesn't care what you think of her," says Judd Apatow, an executive producer of *Girls*. "O.K., she does care. A lot. But she won't change who she is to please you." And she tempers her uncool puppy-dog eagerness with an insouciance that comes from knowing you will never, ever be as traditionally cool as your avant-garde New York City artist parents.

**Unlike past Coolest winners** who chose either not to talk about it (2011's Ryan Gosling) or to say cool, cryptic things about it like "I invest my emotions into how well I think the things have been rendered" (2010's Franco), Dunham didn't hide her excitement. She e-mailed, "Wow, that is—for lack of a better word—really cool. What an honor. Will I get in any Web trouble for being genuinely, unsmarmily excited to be the first woman to win Joel Stein's Coolest Person of the Year?"

Yes, Lena, you will. But you will do it any way, on Twitter and hopefully in an even larger public forum, like *Letterman* or a magazine cover profile. Because—just like the many other women who have been considered not funny enough, not tough enough, not Supreme Court-y enough, not Augusta-y enough or not capable of following the complicated no-turn-on-red laws of Saudi Arabia enough—you have broken a barrier. And the only way you can help more women do the same is to keep talking about this honor and, more important, the cool guy who bestowed it upon you.

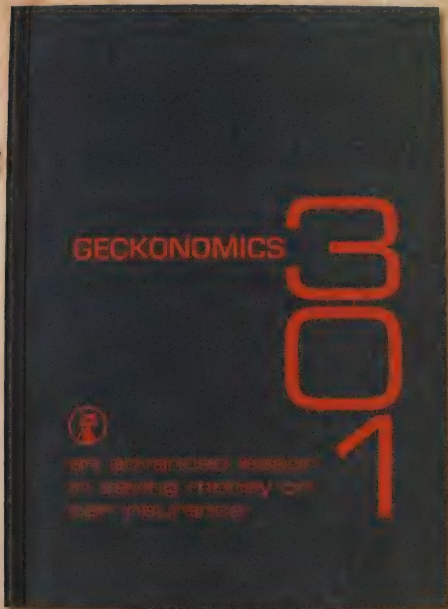


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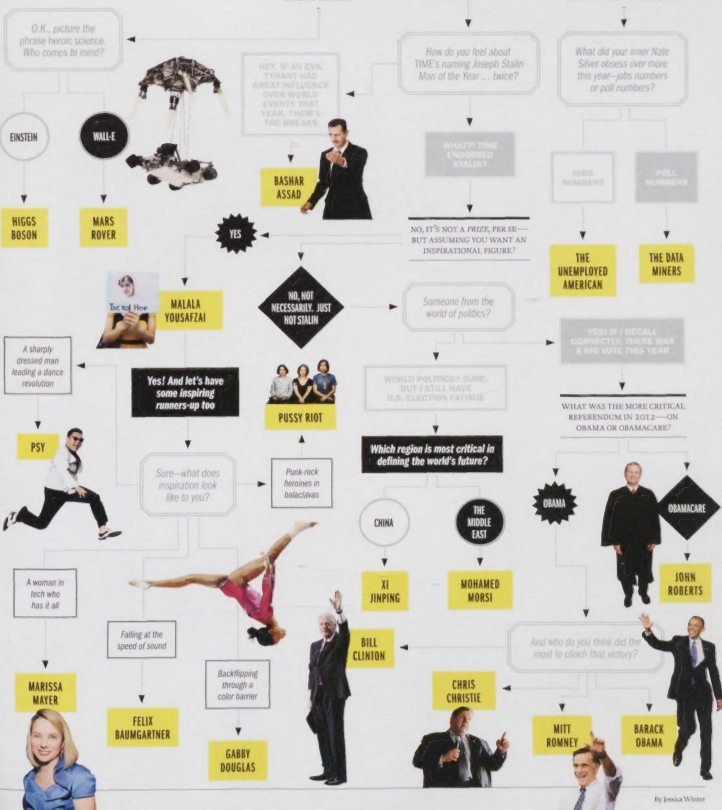
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# THE DECIDER

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